



Insurance Companies Act 1974

1974 CHAPTER 49

PART II

REGULATION OF INSURANCE COMPANIES

Accounts and statements

13 Annual accounts and balance sheets

- (1) Every insurance company to which this Part of this Act applies shall, with respect to each financial year of the company, prepare a revenue account for the year, a balance sheet as at the end of the year and a profit and loss account for the year or, in the case of a company not trading for profit, an income and expenditure account for the year.
- (2) The contents of the documents required by subsection (1) above to be prepared shall be such as may be prescribed, but regulations may provide for enabling information required to be given by such documents to be given instead in a note thereon or statement or report annexed thereto or may require there to be given in such a note, statement or report such information in addition to that given in the documents as may be prescribed.
- (3) Regulations may, as respects such matters stated in such documents as aforesaid or in statements or reports annexed thereto as may be prescribed, require there to be given by such persons as may be prescribed and to be annexed to the documents certificates of such matters as may be prescribed.
- (4) If a form is prescribed for any such document as aforesaid or as that in which information authorised or required to be given in a statement or report annexed to any such document is to be given or for a certificate to be so annexed, the document shall be prepared, the information shall be given or, as the case may be, the certificate shall be framed, in that form.

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14 Periodic actuarial investigation of company with long term business

- (1) Every insurance company to which this Part of this Act applies which carries on long term business—
 - (a) shall, once in every three years or at such shorter intervals as may be prescribed by the deed of settlement of the company or by its regulations or bylaws, cause an investigation to be made into its financial condition in respect of that business, including a valuation of its liabilities in respect thereof, by the person who for the time being is its actuary under section 15(1) below or section 3(5) of the Insurance Companies Amendment Act 1973; and
 - (b) when such an investigation has been made, or when at any other time an investigation into the financial condition of the company in respect of its long term business has been made with a view to the distribution of profits, or the results of which are made public, shall cause an abstract of the actuary's report of the investigation to be made.
- (2) Where under subsection (1) above an insurance company causes an abstract to be made of the report of an actuary on his investigation into the financial condition of the company in respect of its long term business, the company shall prepare a statement of its long term business at the date to which the accounts of the company are made up for the purposes of the investigation:

Provided that if the investigation is made annually the company may prepare such a statement at any time so long as it is made at least once in every five years.
- (3) For the purposes of any investigation to which this section applies the value of any assets and the amount of any liabilities shall be determined in accordance with any applicable valuation regulations.
- (4) The form and contents of any abstract or statement under this section shall be such as may be prescribed.

15 Appointment of actuary by company with long term business

- (1) Every insurance company to which this Part of this Act applies shall within one month of beginning to carry on long term business appoint an actuary as actuary to the company; and whenever an appointment under this section or section 3(5) of the Insurance Companies Amendment Act 1973 comes to an end the company shall as soon as practicable make a fresh appointment.
- (2) A company making an appointment under this section shall within fourteen days serve on the Secretary of State a written notice stating that fact and the name and qualifications of the person appointed; and if an appointment under this section or the said section 3(5) comes to an end the company shall within fourteen days serve on the Secretary of State a written notice stating that fact and the name of the person concerned.

16 Annual statements by company with prescribed class of insurance business

Classes of insurance business may be prescribed for the purposes of this section, and every insurance company to which this Part of this Act applies which carries on such business of a prescribed class shall annually prepare the prescribed statement of business of that class, being, if a form is prescribed for the statement, a statement in the prescribed form.

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17 Audit of accounts

- (1) The accounts and balance sheets of every insurance company to which this Part of this Act applies shall be audited in the prescribed manner by a person of the prescribed description, and regulations made for the purposes of this section may apply to such companies the provisions of the Companies Acts 1948 to 1967 relating to audit, subject to such adaptations and modifications as may appear necessary or expedient.
- (2) In subsection (1) above the reference to accounts and balance sheets shall include a reference to any statement or report annexed thereto giving information authorised or required by virtue of section 13(2) above to be given in a statement or report so annexed.

18 Deposit of accounts etc. with Secretary of State

- (1) Every account, balance sheet, abstract or statement required by sections 13, 14 and 16 above and any report of the auditor of the company made in pursuance of section 17 above shall be printed, and five copies shall be deposited with the Secretary of State within six months after the close of the period to which the account, balance sheet, abstract, statement or report relates:

Provided that if in any case it is made to appear to the Secretary of State that the circumstances are such that a longer period than six months should be allowed, the Secretary of State may extend that period by such period not exceeding three months as he thinks fit.

- (2) There shall be deposited with the Secretary of State, at the same time as the documents mentioned in subsection (1) above, five printed copies of a statement of the names and the connection with the company of any persons who, during the period to which those documents relate—
 - (a) were authorised by the company to issue, or to the knowledge of the company have issued, any such invitation in relation to the company as is mentioned in subsection (1)(a) of section 64 below ; and
 - (b) were connected with the company as provided by regulations under that section.
- (3) One of the copies of any document deposited under subsection (1) or (2) above except an auditor's report shall be a copy signed—
 - (a) in any case—
 - (i) where there are more than two directors of the company, by at least two of those directors and, where there are not more than two directors, by all the directors;
 - (ii) by a chief executive, if any, of the company or (if there is no chief executive) by the secretary, if any; and
 - (b) in the case of an abstract or statement under section 14 above, by the actuary who made the investigation to which the abstract relates or by reference to which the statement was prepared.
- (4) One of the copies of any auditor's report deposited under subsection (1) above shall be a copy signed by the auditor.
- (5) The Secretary of State shall consider the documents deposited under subsections (1) and (2) above, and if any such document appears to him to be inaccurate or incomplete

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in any respect he shall communicate with the company with a view to the correction of any such inaccuracies and the supply of deficiencies.

- (6) There shall be deposited with every revenue account and balance sheet of a company any report on the affairs of the company submitted to the shareholders or policy holders of the company in respect of the financial year to which the account and balance sheet relate.
- (7) In this section any reference to an account or balance sheet includes a reference to any statement or report annexed thereto giving information authorised or required by virtue of subsection (2) of section 13 above to be so given and any certificate so annexed by virtue of subsection (3) of that section.

19 Right of shareholders and policy holders to receive copies of deposited documents

- (1) Subject to subsection (2) below, an insurance company shall forward by post or otherwise to any shareholder or policy holder who applies for one—
 - (a) a printed copy of any of the documents last deposited by the company under subsection (1) or (2) of section 18 above;
 - (b) a copy of any document supplied to the Secretary of State under subsection (5) of that section which relates to any of those documents;
 - (c) a copy of any report deposited with any of those documents under subsection (6) of that section.
- (2) If, in the opinion of the Secretary of State, the disclosure of information contained in—
 - (a) a statement or report annexed to a document prepared in pursuance of section 13(1) above by an insurance company; or
 - (b) a statement prepared in pursuance of section 16 above by such a company, would be harmful to the business of the company or of any of its subsidiaries, the Secretary of State may dispense the company from complying with the obligation imposed by subsection (1) above to forward a copy of the document containing the information to a shareholder or policy holder who applies for it.

20 Deposit of accounts etc. by registered society

- (1) A registered society (other than one registered in Northern Ireland) shall, in addition to depositing with the Secretary of State, as required by section 18 above, five copies of each document to which subsections (1) and (2) of that section apply, deposit, within the time limited by virtue of that section for depositing them, a copy with the appropriate registrar, being a copy signed by the like persons as those by whom the copies deposited under that section are required to be signed.
- (2) Subsection (6) of the said section 18 shall have effect in relation to the deposit by virtue of this section of accounts and balance sheets as it has effect in relation to the deposit by virtue of that section of accounts and balance sheets.
- (3) Section 71(1) of the Industrial and Provident Societies Act 1965 (which empowers the Treasury to make regulations respecting, among other things, the inspection of documents kept by the appropriate registrar under that Act) shall have effect as if the reference to documents kept by the appropriate registrar under that Act included a reference to documents deposited in pursuance of this section.

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- (4) In this section " appropriate registrar " has the meaning given in section 73(1) of the said Act of 1965.

21 Periodic statements by company with prescribed class of business

- (1) Every insurance company to which this Part of this Act applies which carries on business of a class or description prescribed for the purposes of this section shall prepare, at such intervals and for such periods as may be prescribed, a statement of its business of that class or description.
- (2) The form and contents of any statement under this section shall be such as may be prescribed.
- (3) Regulations may, as respects such matters contained in a statement under this section as may be prescribed, require there to be given by such persons as may be prescribed and to be annexed to the statement certificates of such matters and in such form as may be prescribed.
- (4) Five copies of any statement made under this section (with any certificate annexed thereto in pursuance of subsection (3) above) shall be deposited by the company with the Secretary of State within such period as may be prescribed, and one of those copies shall be a copy signed by the persons required to sign copies of statements made under section 16 above which are deposited under section 18 above.
- (5) The whole or any part of any document deposited under subsection (4) above may be deposited by the Secretary of State with the registrar of companies and may be published by the Secretary of State in such ways as he thinks appropriate.

22 Statements of transactions of prescribed class or description

- (1) Classes or descriptions of agreements or arrangements appearing to the Secretary of State as likely to be undesirable in the interests of policy holders may be prescribed for the purposes of this section, and every insurance company to which this Part of this Act applies or subordinate company within the meaning of section 26 below of any such company which enters into an agreement or arrangement of a class or description so prescribed shall, within such period as may be prescribed, furnish the Secretary of State with a statement containing such particulars of that agreement or arrangement as may be prescribed.
- (2) Different classes or descriptions of agreements or arrangements may be prescribed for the purposes of this section in relation to companies of different classes or descriptions.
- (3) The whole or any part of any statement furnished to the Secretary of State under this section may be deposited by him with the registrar of companies and may be published by the Secretary of State in such ways as he thinks appropriate.