

STATUTORY INSTRUMENTS

1983 No. 1811

INSURANCE

INDUSTRIAL ASSURANCE

The Insurance Companies (Accounts and Statements)

Regulations 1983

<i>Made</i> - - - -	7th December 1983
<i>Laid before Parliament</i>	9th December 1983
<i>Coming into Operation</i>	15th March 1984

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The Secretary of State, in exercise of his powers under sections 17, 18, 20, 21, 96(1) and 97 of the Insurance Companies Act 1982(a) and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Insurance Companies (Accounts and Statements) Regulations 1983 and shall come into operation on 15th March 1984.

Application

2.—(1) These Regulations apply to the accounts and statements (as hereinafter specified) of every company to which Part II of the Act applies in respect of any financial year of the company ending on or after 15th March 1984.

(2) These Regulations do not apply to a Community company (other than a United Kingdom company or a pure reinsurer) or to a Community deposit company, in relation to long term business or general business carried on by it outside the United Kingdom.

Interpretation

3.—(1) In these Regulations, unless the context otherwise requires,—
“accounting class” means an accounting class set out in the following table—

(a) 1982 c.50.

<i>Accounting class</i>	<i>Corresponding classes of general business</i>
1 Accident and health	1, 2
2 Motor vehicle (including damage to other land vehicles), damage and liability	3, 10
3 Aircraft, damage and liability	5, 11
4 Ships, damage and liability	6, 12
5 Goods in transit	7
6 Property damage	4, 8, 9
7 General liability	13
8 Pecuniary loss	14, 15, 16, 17
9 Non-proportional treaty reinsurance	—
10 Proportional treaty reinsurance	—

“the Act” means the Insurance Companies Act 1982;

“additional amount for unexpired risks” means the amount set aside by a company at the end of its financial year, in addition to any unearned premiums, which is considered necessary to meet the cost of claims and expenses of settlement arising from risks to be borne by the company after the end of the financial year under contracts of insurance entered into before the end of that year;

“admissible asset” means an asset which is not required by Regulation 38(3) of the Insurance Companies Regulations to be left out of account for the purposes specified in Regulation 38(1) of those Regulations;

“appointed actuary” means the person appointed as actuary to a company under section 19 of the Act or under any corresponding enactment previously in force;

“authorised unit trust scheme” means a scheme authorised under the Prevention of Fraud (Investments) Act 1958(a) or the Prevention of Fraud (Investments) Act (Northern Ireland) 1940(b);

“charges for management” means amounts chargeable in respect of the management of an internal linked fund in accordance with the conditions of those contracts of insurance under which property linked benefits are linked to the value of the fund or units of the fund;

“claim” means a claim against a company under a contract of insurance;

“claims equalisation” means the amount set aside by a company as at the end of its financial year for the purpose of being used to prevent exceptional fluctuations in the amounts charged to revenue in subsequent financial years in respect of claims arising due to the occurrence of events of an exceptional nature, that is to say, events not normally occurring every year;

“claims outstanding” means, unless otherwise specified, the amount set aside by a company as at the beginning or end of its financial year as being an amount likely to be sufficient to meet—

(a) claims in respect of incidents occurring—

(i) in the case of an amount set aside as at the beginning of the financial year, before the beginning of that year, and

(a) 1958 c.45.

(b) 1940 c.9 (N.I.).

(ii) in the case of an amount set aside as at the end of the financial year, before the end of that year,

being claims which have not been treated as claims paid and including claims relating to business accounted for over a period longer than a financial year, claims the amounts of which have not been determined and claims arising out of incidents that have not been notified to the company, and

(b) expenses (such as, for example, legal, medical, surveying or engineering costs) which have been incurred but not yet recorded as paid or which are likely to be incurred by the company, whether through the employment of its own staff or otherwise, and are directly attributable to the settlement of individual claims which relate to incidents occurring before the beginning or the end of the financial year (as the case may be), whether or not the individual claims in question are those mentioned above,

less any recoverable amounts;

“claims paid”, in relation to general business, means unless otherwise specified the amount that is recorded in a company’s books as at the end of its financial year as paid by it (whether or not payment has been effected in that year) in full or partial settlement of—

(a) claims, including claims relating to business accounted for over a period longer than a financial year, and

(b) expenses (such as, for example, legal, medical, surveying or engineering costs) which are incurred by the company, whether through the employment of its own staff or otherwise, and are directly attributable to the settlement of individual claims, whether or not the individual claims in question are those mentioned above,

less any recoverable amounts;

“claims payable”, in relation to long term business, means the amount due to be paid by a company during a financial year in respect of claims whether or not paid during that year;

“commission payable” means, in relation to a financial year of a company, the amounts, whether or not paid during that year, which are recorded during that year as due to intermediaries and cedants in respect of the inception, amendment or renewal of contracts of insurance;

“Community company” means a company whose head office is in a member State;

“Community deposit company” means a company (other than a pure reinsurer) whose head office is not in a member State and which has made a deposit in a member State other than the United Kingdom in accordance with section 9(2)(b) of the Act;

“company” means an insurance company;

“contract of insurance” includes a contract of reinsurance;

“direct and facultative” refers to direct insurance business and inwards facultative reinsurance business;

“expenses for settling claims” means that part of a company’s expenses which has been incurred in respect of general business in the settlement of claims other than expenditure which falls to be included under claims paid;

“expenses for settling claims outstanding” means the amount set aside by a company at the end of its financial year as being an amount likely to be sufficient to meet that part of the company’s expenses which is likely to be incurred in respect of general business in the settlement of claims in respect of incidents occurring before the end of that year other than expenses which fall to be included under claims outstanding;

“external company” means a company, other than a company to which section 9(2) of the Act applies, whose head office is not in a member State;

“fund” in relation to general business recorded as commencing in any financial year of a company but accounted for over a period longer than that financial year, means, during such period, an amount not less than the aggregate amount of the premiums receivable during that period (net of reinsurance premiums payable) reduced by the aggregate amount of the claims paid (net of reinsurance recoveries), expenses for settling claims, commission (net of reinsurance commission receivable) and premium taxes in respect of that business and any management expenses attributable to the management of the fund and, after the end of such period, means such amount as is considered necessary to discharge the remaining obligations (net of reinsurance) in respect of that business;

“gross premiums”, in relation to a financial year—

- (a) means premiums after deduction of discounts, refunds and rebates of premium but before deduction of premiums for reinsurance ceded and of commission payable by the company, and
- (b) includes premiums receivable by the company under reinsurance contracts accepted by the company;

“guarantee fund” has the same meaning as in the Insurance Companies Regulations;

“home foreign business” means general insurance business written in the United Kingdom primarily relating to risks situated outside the United Kingdom but excluding business in accounting classes 3, 4 or 5 and business where the risk commences in the United Kingdom;

“incepted” refers to the time when the liability to risk of an insurer under a contract of insurance commenced and, for this purpose, a contract providing permanent open cover shall be deemed to commence on each anniversary date of the contract, “inception” and “incepting” shall be construed accordingly;

“industrial assurance company” means an insurance company to which Part II of the Act applies and which carries on industrial assurance business;

“Insurance Companies Regulations” means the Insurance Companies Regulations 1981(a);

“intermediary” means a person who in the course of any business or profession invites other persons to make offers or proposals or to take other steps with a view to entering into contracts of insurance with a company, other than a person who only publishes such invitations on behalf of, or to the order of, some other person;

“internal linked fund” means an account to which a company appropriates certain linked assets and which may be sub-divided into units the value of

(a) S.I. 1981/1654; these Regulations have been amended by S.I. 1982/675 and 1983/396.

which is determined by the company by reference to the value of those linked assets;

“linked assets” means long term business assets of a company which are, for the time being, identified in the records of the company as being assets by reference to the value of which property linked benefits are to be determined;

“linked contract” means a contract falling within class III of long term business as specified in Schedule I to the Act and “non-linked contract” shall be construed accordingly;

“loss portfolio” means an amount payable by a reinsurer to a cedant in consideration of the release of the reinsurer from all or part of the liability arising under a contract of reinsurance in respect of claims incurred prior to a fixed date; and for the purposes of these Regulations a loss portfolio shall, unless otherwise specified, be treated by the reinsurer as a refund of premiums receivable and shall be treated by the cedant as a refund of reinsurance premiums payable;

“management expenses” means expenses incurred in the administration of a company or its business which are not commission payable and, in the case of general business, are not included in claims paid, claims outstanding, expenses for settling claims and expenses for settling claims outstanding;

“mathematical reserves” has the same meaning as in the Insurance Companies Regulations;

“minimum guarantee fund” has the same meaning as in the Insurance Companies Regulations;

“non-proportional reinsurance treaty” means a reinsurance treaty which is not a proportional reinsurance treaty;

“outstanding claims portfolio” means an amount payable by a cedant to a reinsurer in consideration of the reinsurer accepting liability arising under a contract of reinsurance in respect of all or part of reinsurance claims incurred and arising prior to a fixed date; and for the purposes of these Regulations an outstanding claims portfolio shall, unless otherwise specified, be treated by the cedant as reinsurance premiums payable and shall be treated by the reinsurer as premiums receivable;

“period of risk” means the period for which a contract of insurance provides cover;

“permanent health contracts” means contracts falling within class IV of long term business as specified in Schedule I to the Act;

“premiums” includes the consideration for the granting of an annuity;

“premium portfolio” means an amount payable by a reinsurer to a cedant in consideration of the release of the reinsurer from all or part of the liability arising under a contract of reinsurance for claims occurring after a fixed date under all or certain underlying contracts incepting prior to that date; and for the purposes of these Regulations a premium portfolio shall, unless otherwise specified, be treated by the reinsurer as a refund of premiums receivable and shall be treated by the cedant as a refund of reinsurance premiums payable;

“premiums receivable” means—

- (a) in the case of a linked contract the liability under which has been valued on the basis of premiums actually received by the company

in a financial year, the amount of premiums received in respect of that contract, and

- (b) in any other case, the premiums recorded in the company's books in respect of a financial year as due to it in respect of contracts commencing in that year or contracts commencing in earlier financial years but not accounted for in the company's revenue account prior to that financial year, whether or not received by the company during that financial year, after deducting discounts, refunds and rebates of premiums as recorded in respect of the same period; and for the purpose of determining whether a premium is due no account shall be taken of any credit arrangements made in respect thereof;

“profit and loss account”, in relation to a company not trading for profit, means an income and expenditure account;

“property linked benefits” means benefits provided for under any contract the effecting of which constitutes the carrying on of long term insurance business, and which are determined by reference to the value of, or the income from, property of any description (whether or not specified in the contract) or by reference to fluctuations in, or an index of, the value of property of any description (whether or not specified in the contract);

“proportional reinsurance treaty” means a reinsurance treaty under which a pre-determined proportion of each claim payment by the cedant under policies subject to the treaty is recoverable from the reinsurer;

“pure reinsurer” means a company whose authorisation to carry on business in the United Kingdom is restricted to reinsurance;

“receivable”, in relation to income during a financial year, means, unless otherwise specified, such amounts as become due to the company, whether or not received by the company during that year, including (where appropriate) income which has accrued;

“recoverable amounts” means, for the purposes of claims outstanding and claims paid, the amounts recoverable by a company (whether or not received) in respect of the claims mentioned under those expressions or other claims, including amounts recoverable by way of salvage, amounts recoverable from third parties and amounts recoverable from other insurers but excluding amounts recoverable in respect of reinsurance ceded by the company;

“reinsurance” and “reinsurer” include retrocession and retrocessionaire, respectively;

“reinsurance commission receivable” means amounts due to a company during a financial year from reinsurers, whether or not received by the company during that year, in respect of reinsurance premiums payable by the company;

“reinsurance premiums payable”—

- (a) means the premiums recorded in a company's books during a financial year as due by it to reinsurers in respect of reinsurance contracts commencing in that year or reinsurance contracts commencing in earlier financial years but not accounted for in the company's revenue account prior to that financial year, whether or not paid by the company during that financial year, after deducting discounts, refunds and rebates of premiums as recorded in the same

period, and for the purpose of determining whether a premium is due no account shall be taken of any credit arrangements made in respect thereof, and

- (b) in the case of general business, includes, unless otherwise specified, unearned premium portfolios and outstanding claims portfolios payable by the company under reinsurance contracts ceded by the company, after deduction of any premium portfolios or loss portfolios refunded to the company by reinsurers;

“related company” has the same meaning as in Part V of the Insurance Companies Regulations;

“required margin of solvency” has the same meaning as in Part II of the Insurance Companies Regulations;

“required minimum margin” means the greater of the appropriate required margin of solvency and the amount of the appropriate minimum guarantee fund and “required Community minimum margin” and “required United Kingdom minimum margin” shall be construed accordingly;

“subordinated”, in relation to a loan to a company, means a loan which in the event of the winding up of the company is repayable by the company only after all other liabilities of the company, other than those in respect of share capital and amounts which the company may be liable to pay by virtue of section 59(4) of the Companies Act 1981(a), have been paid in full;

“unearned premiums” means the amount set aside by a company at the end of its financial year out of premiums in respect of risks to be borne by the company after the end of the financial year under contracts of insurance entered into before the end of that year;

“unearned premium portfolio” means an amount payable by a cedant to a reinsurer in consideration of the reinsurer accepting liability for all or part of the liability arising under a contract of reinsurance for claims occurring after a fixed date under all or certain underlying contracts incepting prior to that date; and for the purposes of these Regulations an unearned premium portfolio shall, unless otherwise specified, be treated by the cedant as reinsurance premiums payable and shall be treated by the reinsurer as premiums receivable;

“United Kingdom company” means a company whose head office is in the United Kingdom;

“United Kingdom deposit company” means a company (other than a pure reinsurer) whose head office is not in a member State and which has made a deposit in the United Kingdom in accordance with section 9(2)(b) of the Act;

“zillmerising” has the same meaning as in Part II of the Insurance Companies Regulations.

(2) For the purposes of supplying any information under any Schedule to these Regulations (or in any Form therein) required to be supplied by reference to valuation regulations, words and expressions used in any such Schedule (or in any Form therein) shall, unless otherwise specified, have the meanings assigned to them in such valuation regulations.

(3) In these Regulations, any reference to long term business or general

(a) 1981 c.62.

business shall, in relation to a Community company (other than a United Kingdom company or a pure reinsurer) and a Community deposit company, be taken to refer to long term or general business carried on by it through an agency or branch in the United Kingdom; and accordingly, any reference to, or requirement imposed in respect of, the accounts and balance sheet (including any notes, statements, reports and certificates annexed thereto) shall be taken as referring to, or imposing the requirement in respect of, business carried on through that agency or, as the case may be, that branch.

(4) In these Regulations, any reference to long term business or to general business shall,—

- (a) in relation to an external company (other than a pure reinsurer), be taken to refer to its entire long term business or to its entire general business and to any long term business or general business carried on by it through an agency or branch in the United Kingdom; and
- (b) in relation to a United Kingdom deposit company, be taken to refer to its entire long term business or entire general business and to any long term business or general business carried on by it through an agency or branch in any member State;

and accordingly any reference to, or requirement imposed in respect of, the accounts and balance sheet (including any notes, statements reports and certificates annexed thereto) relevant to long term business or to general business shall be taken as referring to or, as the case may be, imposing the requirement in respect of,—

- (i) accounts prepared in respect of its entire long term business or entire general business, and
- (ii) accounts prepared in respect of the long term business or the general business carried on, in the case of an external company, by the agency or branch in the United Kingdom and, in the case of a United Kingdom deposit company, by the agencies or branches in question in the member States taken together.

(5) Regulation 2(2) of the Insurance Companies Regulations shall have effect for the purposes of these Regulations as it has effect for the purpose of those Regulations and “ECU” shall be construed accordingly.

(6) In these Regulations—

- (a) any reference to a numbered Form is a reference to the Form so numbered in Schedules 1 to 5 below; and
- (b) references to a numbered class of general business are references to the class so numbered in Part I of Schedule 2 to the Act.

Value of assets and amount of liabilities

4. Unless otherwise provided in these Regulations, in the documents which a company is required to prepare in accordance with these Regulations,—

- (a) the value or amount given for an asset or a liability of the company shall be the value or amount of that asset or liability as determined in accordance with any applicable valuation regulations;
- (b) where there are no applicable valuation regulations, then,

- (i) in the case of an asset of the company other than a linked asset, the value given shall be the value which that asset would have if valuation regulations were applicable, and
- (ii) in the case of a linked asset of the company, the value given shall be the value of that asset as determined in accordance with generally accepted accounting concepts, bases and policies or other generally accepted methods appropriate for insurance companies.

Contents and form of accounts

5. Every account, balance sheet, note, statement, report and certificate required to be prepared by a company pursuant to section 17(1), (2) and (3) of the Act shall be prepared in the manner hereinafter specified and shall fairly state the information provided on the basis required by these Regulations.

Balance sheet

6.—(1) The balance sheet required to be prepared by every company under section 17(1) of the Act shall comply with the requirements of Schedule 1 below and shall be in Forms 9 to 15 completed (as may be appropriate) as specified in paragraphs (2) to (7) below.

(2) Form 9 shall be completed by every United Kingdom company, external company, United Kingdom deposit company and pure reinsurer.

(3) Form 10 shall be completed by every company.

(4) Forms 11 and 12 shall be completed by every United Kingdom company, external company, United Kingdom deposit company and pure reinsurer which carries on general business.

(5) Form 13 shall be completed (as appropriate)—

(a) by every United Kingdom company, external company, United Kingdom deposit company and pure reinsurer which carries on long term business in respect of—

- (i) the total assets representing the fund or funds maintained by it in accordance with section 28 of the Act; and
- (ii) the assets appropriated by it in respect of each separate long term business fund or group of funds for which separate assets have been appropriated;

(b) by every Community company (other than a United Kingdom company or a pure reinsurer) and every Community deposit company in respect of long term business carried on by it through an agency or branch in the United Kingdom in respect of—

- (i) the assets of the company relating to that business representing the fund or funds maintained by it in accordance with section 28 of the Act, and
- (ii) the assets of the company relating to that business appropriated by it in respect of each long term business fund or group of funds for which separate assets have been appropriated;

- (c) by every United Kingdom company, external company, United Kingdom deposit company and pure reinsurer in respect of its total assets other than long term business assets;
 - (d) by every Community company (other than a United Kingdom company or a pure reinsurer) and every Community deposit company in respect of general business carried on by it through an agency or branch in the United Kingdom in respect of the assets, other than long term business assets, of the company relating to that business;
 - (e) by every external company (other than a pure reinsurer) in respect of long term or general business carried on by it through an agency or branch in the United Kingdom in respect of those assets which are—
 - (i) deposited with the Accountant General,
 - (ii) maintained in the United Kingdom, and
 - (iii) maintained in the United Kingdom and other member States; and
 - (f) by every United Kingdom deposit company in respect of long term or general business carried on by it through agencies or branches in the member States concerned in respect of those assets which are—
 - (i) deposited with the Accountant General,
 - (ii) maintained in the United Kingdom and such other member States where business is carried on, and
 - (iii) maintained in the United Kingdom and the other member States.
- (6) Form 14 shall be completed by every company which carries on long term business.
- (7) Form 15 shall be completed by every company except a company not trading for profit which carries on only long term business.

Profit and loss account

7. The profit and loss account required to be prepared by every company under section 17(1) of the Act shall comply with the requirements of Schedule 1 below and shall be prepared in Form 16.

Revenue account

8. The revenue account required to be prepared by every company under section 17(1) of the Act—

- (a) in the case of a company carrying on general business, shall comply with the requirements of Schedule 2 below and shall be in Form 20 so, however, that every such company shall prepare a separate account in Form 20 in respect of each accounting class and a summary account in that Form in respect of the whole of the general business carried on by it;
- (b) in the case of a company carrying on long term business, shall comply with the requirements of Schedule 3 below and shall be in Form 40 so, however, that—

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- (i) every such company shall prepare a separate account in Form 40 in respect of each long term business fund maintained by it, and
- (ii) where there is more than one fund for ordinary long term insurance business or for industrial assurance business, the company shall also prepare a summary form for ordinary long term insurance business or for industrial assurance business, as the case may require.

Additional information on general business (accounting classes)

9. Every company which carries on general business shall, in respect of each financial year and in accordance with the requirements of Schedule 2 below, prepare—

- (a) Forms 21, 22 and 23 in respect of each of the accounting classes 1 to 8 save that where, in respect of any of the accounting classes 3, 4 and 5, the company elects to account for any business on a three-year basis it shall prepare Forms 24 and 25 instead of Forms 21, 22 and 23 in respect of that business;
- (b) Forms 24, 25 and 26 in respect of accounting class 9; and
- (c) Forms 27 and 28 in respect of accounting class 10.

Risk groups for general business

10.—(1) Every company which carries on general business shall, in the manner provided in paragraph (2) below and for the purpose of completing the forms specified in Regulation 11 below, classify the business carried on by it in each country into risk groups by reference to accounting classes 1 to 8 as appropriate but excluding, for that purpose, any risks relevant to treaty reinsurance business under accounting classes 3, 4 and 5.

(2) Each risk group classified for the purposes of this Regulation shall comprise risks within an accounting class insured by the company in each country which, in the opinion of the directors, are not significantly dissimilar either by reference to the nature of the objects exposed to such risks or by reference to the nature of the cover against such risks given by the company so however that—

- (a) if the company carries on private motor vehicle insurance business it shall, in relation to accounting class 2 and in such manner as it considers appropriate, so classify its risks that—
 - (i) policies in respect of private motor car risks are not included in the same risk group as policies in respect of other risks, and
 - (ii) policies in respect of comprehensive private motor car risks are not included in the same risk group as policies in respect of non-comprehensive private motor car risks;
- (b) subject to sub-paragraph (a) above, if the directors are of the opinion that the risks insured by the company within an accounting class in any one country are not significantly dissimilar in the manner aforesaid, there shall be only one risk group for those risks:

Provided that if there is only one risk group for an accounting class, it shall be

classified by reference to the particular type of business within the accounting class which is carried on by the company.

(3) For the purposes of this Regulation and Regulations 11 and 12 below, home foreign business shall be treated as though it was carried on in a different country from other business carried on in the United Kingdom.

Additional information on general business (risk groups)

11. Subject to Regulation 12 below, every company which carries on general business shall, with respect to each financial year and in relation to each country, each year of origin and each risk group (as classified by it under Regulation 10 above), prepare in accordance with the requirements of Schedule 2 below—

- (a) Forms 31 and 33 in respect of accounting classes 1 to 8 save that where, in respect of any of the accounting classes 3, 4 and 5, the company elects to account for any business on a three-year basis it shall prepare Forms 34 and 35 instead of Forms 31 and 33 in respect of that business;
- (b) Form 32 in respect of accounting class 2:

Provided that where any form referred to above has been prepared in respect of the entire business of a company, no separate forms need be prepared—

- (i) in the case of an external company, in respect of the business carried on by it through any agency or branch situated in the United Kingdom, and
- (ii) in the case of a United Kingdom deposit company in respect of the business carried on by it through any agency or branch in any member State where business is carried on.

Provisions supplemental to Regulation 11

12.—(1) No Forms need be prepared under Regulation 11 above with respect to any financial year of a company—

- (a) in relation to any country, if the aggregate of the company's gross premiums for that year in respect of general business (direct and facultative) carried on by it in that country was less than $2\frac{1}{2}$ per cent of the aggregate of its gross premiums for the year in respect of general business (including inwards reinsurance treaties) carried on by it in all parts of the world (including that country);
- (b) in relation to any accounting class of business carried on in any country, if the aggregate of the company's gross premiums for that year in respect of that class (direct and facultative) carried on in that country was less than £100,000;
- (c) if the aggregate of the company's gross premiums for that year in respect of its general business (direct and facultative) carried on in the United Kingdom was less than £100,000;

Provided that—

- (i) sub-paragraphs (a) and (b) above shall not apply to general business carried on through an agency or branch in the United

Kingdom by a Community company having its head office in a member State other than the United Kingdom or by an external company nor, in the case of a United Kingdom deposit company or a Community deposit company, shall they apply to general business carried on through an agency or branch in the member State concerned;

- (ii) where a company has prepared any Forms pursuant to Regulation 11 above with respect to any financial year in relation to a country, year of origin and risk group it shall, notwithstanding the provisions of this paragraph, prepare in respect of each subsequent financial year during which there are any liabilities relevant to the business to which the forms relate Forms 33, 34 and 35 (as appropriate) in accordance with the requirements of Schedule 2 below in respect of that business.

(2) A company which, by virtue of paragraph (1) above, has not prepared forms under Regulation 11 in respect of any of its general business (direct and facultative) shall, in accordance with the requirements of Schedule 2 below, prepare in respect of any such business carried on in the United Kingdom and prepare separately in respect of any such business carried on elsewhere Forms 31 and 33 in respect of each of accounting classes 1 to 8 save that where, in respect of any of the accounting classes 3, 4 and 5, the company elects to account for any business on a three-year basis it shall prepare Forms 34 and 35 instead of Forms 31 and 33 in respect of that business.

Currencies other than sterling

13. Every company which prepares any Forms under Regulation 11 above or 21 or 22 below in respect of a financial year which contain figures in a currency other than sterling shall prepare Form 36 in accordance with the requirements of Schedule 2 below.

Additional information on general business (co-insurance)

14. Every relevant company (as defined in Regulation 53 of the Insurance Companies Regulations) which has participated in a relevant co-insurance operation (as so defined) in any financial year shall prepare Form 37 in accordance with the requirements of Schedule 2 below.

Additional information on long term business

15. Every company which carries on long term business shall, in respect of each financial year and in accordance with the requirements of Schedule 3 below, prepare—

- (a) in respect of ordinary long-term insurance business—
 - (i) Forms 41 to 43 and 44, and
 - (ii) such of Forms 45 to 51 as are appropriate; and
- (b) in respect of industrial assurance business—
 - (i) Forms 41, 42, 43A, 44A, 45 and 46, and
 - (ii) such of Forms 47 to 51 as are appropriate.

Forms prepared pursuant to Regulations 9 and 11 to 15

16. The Forms prepared pursuant to Regulations 9 and 11 to 15 above shall be annexed to the documents referred to in Regulations 6, 7 and 8 above.

Additional information on general business ceded under reinsurance treaties

17.—(1) Subject to the provisions of Regulation 20 below, a company which carries on general business in a financial year shall annex to the documents referred to in Regulations 6, 7 and 8 above and relating to that financial year a statement of—

- (a) the full name of each of its major reinsurers and the address of the registered office or of the principal office in the country where it is incorporated (or, in the case of an unincorporated body, of the principal office) of each such reinsurer;
- (b) whether (and, if so, how) the company was at any time in the financial year connected with any such reinsurer; and
- (c) the amount—
 - (i) of the reinsurance premiums payable in the financial year to each major reinsurer in respect of general business ceded under reinsurance treaties, and
 - (ii) of any debt of the reinsurer to the company in respect of general business ceded under reinsurance treaties at the end of the financial year included at line 53 of Form 13,

or a statement that it has no major reinsurer.

(2) For the purposes of this Regulation, a major reinsurer of a company is another insurance company to which (whether alone or with any body corporate which is connected with such other company) the company has ceded general business reinsurance under one or more reinsurance treaties—

- (a) in the case of proportional reinsurance, for which the total amount of the reinsurance premiums payable is equal to not less than 2 per cent of the gross premiums receivable by the company in respect of general business, or
- (b) in the case of other reinsurance, for which the total amount of the reinsurance premiums payable is equal to not less than 5 per cent of the total premiums payable by the company in respect of all such other reinsurance,

in the financial year in question or in any of the five immediately preceding financial years of the company (not being a financial year ended before 23rd December 1982).

Additional information on general business ceded under facultative reinsurance contracts

18. Subject to the provisions of Regulation 20 below, a company which carries on general business shall annex to the documents referred to in Regulations 6, 7 and 8 above and relating to each financial year of the company a statement of—

- (a) the full name of each reinsurer under a facultative reinsurance contract included in the number inserted in column 7 or in column 9 of Form 30 and the address of the registered office or of the principal office in the country where it is incorporated (or, in the case of an unincorporated body, of the principal office) of each such reinsurer,
- (b) whether (and, if so, how) the company was at any time in the financial year connected with any such reinsurer; and
- (c) the amount of the total premiums payable in the financial year to each such reinsurer in respect of general business ceded under facultative reinsurance contracts and included in column 8 or column 10, as the case may be, of that Form.

Information on major general business reinsurance cedants

19.—(1) Subject to the provisions of Regulation 20 below, a company which carries on general business shall annex to the documents referred to in Regulations 6, 7 and 8 above and relating to each financial year of the company a statement of—

- (a) the full name of each of its major cedants and the address of the registered office or of the principal office in the country where it is incorporated (or, in the case of an unincorporated body, of the principal office) of each such cedant;
- (b) whether (and, if so, how) the company was at any time in the financial year connected with any such cedant; and
- (c) the amount of the total of the gross premiums receivable by the company from each such cedant in respect of general business treaty reinsurance accepted in the financial year to which the return relates,

or a statement that it has no such cedant.

(2) For the purposes of this Regulation, a major cedant of a company is another insurance company from which (whether from that company alone or from that company and any body corporate which is connected with that company) the company has accepted general business treaty reinsurance in respect of which the gross premiums receivable exceed the greater of—

- (a) 5 per cent of the gross premiums receivable by the company in respect of general business treaty reinsurance, and
- (b) 2 per cent of the gross premiums receivable by the company in respect of general business,

in the financial year in question or in any of the three immediately preceding financial years of the company (being a financial year beginning after 31st December 1982).

Provisions supplemental to Regulations 17, 18 and 19

20.—(1) Subject to the provisions of this Regulation, for the purposes of Regulations 17(1)(b) and (2), 18(b) and 19(1)(b) and (2) above, a body corporate and another person are connected with each other if—

- (a) the other person is—
 - (i) a subsidiary of the body corporate;

- (ii) a holding company of the body corporate; or
- (iii) a subsidiary of the holding company of the body corporate; or
- (b) one of them is controlled by the other or both are controlled by the same person,

but a body corporate shall not be taken to be connected with another person if the company furnishing the statement does not know and could not upon reasonable enquiry be expected to find that it is so connected with the other person.

(2) Except as provided in paragraph (3) below, for the purposes of paragraph (1)(b) above, a person shall be taken to control a body corporate if he is a person—

- (a) in accordance with whose directions or instructions the directors of that body corporate or of a body corporate of which it is a subsidiary are accustomed to act, or
- (b) who, either alone or with any other person who in accordance with paragraph (4)(b) below is to be treated as one with that person, is entitled to exercise, or control the exercise of, one-third or more of the voting power at any general meeting of the body corporate or of a body corporate of which it is a subsidiary.

(3) In relation to a company—

- (a) making a statement pursuant to Regulation 17 above, a reinsurer shall not be taken by virtue of paragraph (2) above to be connected with another reinsurer, or
- (b) making a statement pursuant to Regulation 19 above, a cedant shall not be taken by virtue of paragraph (2) above to be connected with another cedant,

for the purposes of paragraph (2) of the said Regulations 17 or 19, as the case may be, unless it is also connected by virtue of paragraph (1) above with the company making the statement.

(4) In Regulations 17, 18 and 19 above and this Regulation—

- (a) “full name” means—
 - (i) in the case of a body corporate, its corporate name, and
 - (ii) in the case of an individual or any unincorporated body, the name under which the individual or body lawfully carries on business; and
- (b) the following persons shall be treated as one, that is to say,—
 - (i) an individual and his wife and minor child (including) step-child and, in relation to Scotland, a pupil); and
 - (ii) an individual and any body corporate of which the individual is a director.

(5) The following provisions of Schedule 1 below shall apply for the purposes of Regulations 17(1)(c) and (2), 18 and 19 above—

- (a) paragraphs 4 and 5 (which relate to currencies other than sterling); and
- (b) sub-paragraphs (1) and (2) of paragraph 8 (which, among other things,

relate to amounts due to the company) with the substitution in sub-paragraph (1) for the words “sub-paragraphs (2) and (3)” of the words “sub-paragraph (2)”.

(6) Regulations 17(2), 18(a) to (c) and 19 above shall apply to the members of Lloyd’s taken together as they apply to an insurance company and the foregoing provisions of this Regulation (other than paragraph (5)) shall not have effect.

Additional information on general business accepted under reinsurance treaties (proportional and non-proportional)

21.—(1) Every company which carries on general business shall, for the purposes of this Regulation, allocate its general business treaty reinsurance accepted (but, in the case of proportional reinsurance business, only in respect of classes 5, 6, 11 and 12 and, if accounted for on a three-year basis, class 7) to separate categories including—

- (a) casualty (including classes 1, 2 and 13);
- (b) property (including classes 4, 8 and 9);
- (c) aviation (including classes 5 and 11); and
- (d) marine (including classes 6 and 12);

and shall, in respect of each financial year and in accordance with the requirements of Schedule 2 below prepare Form 29 (which shall be annexed to the documents referred to in Regulations 6, 7 and 8 above) showing the information specified in respect of each such category of reinsurance business accepted:

Provided that—

- (i) instead of allocating business within a class or classes referred to in any one of sub-paragraphs (a) to (d) above to a category therein mentioned, a company may allocate all its reinsurance business within that class or those classes to a separate category comprising only that class or those classes; and
 - (ii) the number of categories to which business is allocated in accordance with this paragraph shall not exceed ten.
- (2) For the purposes of paragraph (1) above—
- (a) acceptance of proportional retrocessions of non-proportional treaty reinsurance business shall be treated as non-proportional treaty reinsurance business unless—
 - (i) the company is unable to show information relating to it on Form 29, and
 - (ii) the information is shown on Form 27 in respect of all such business as a single category separate from other categories and an explanation is given in a note annexed to the form of why the information is so given; and
 - (b) all reinsurance treaties accepted, other than those included in the categories mentioned in sub-paragraphs (a) to (d) of paragraph (1) above, under which it may reasonably be foreseen that a substantial proportion of claims will be settled more than ten years after the

inception of the business shall be allocated to one or more separate categories including only such treaties.

(3) Information relating to reinsurance treaties accepted which fall within more than one category for the purposes of paragraph (1) above shall be shown—

- (a) in respect of each such category (amounts being apportioned as necessary), or
- (b) in the category within which the greater part of the business to which the treaty relates falls,

and an explanation shall be given in a note annexed to the form of the method used in any such apportionment or of the business to which it relates falling outside the category within which it is included, as the case may require.

(4) Unless an explanation is given in a note annexed to Form 29 for allocation of the information in question to a different category—

- (a) where information relating to an underwriting year of a reinsurance treaty accepted has been shown in a return in respect of a financial year, information relating to that underwriting year of the treaty shall be included in the same category in each relevant later financial year; and
- (b) where a reinsurance treaty accepted relates to risks which are of a description similar to those to which an earlier treaty (in relation to which information has been given in respect of an earlier financial year) related and covers those descriptions of risk in similar proportions, information relating to that reinsurance treaty shall be included in the same category as information relating to the earlier treaty.

(5) Subject to paragraph (7) below, where the gross premiums receivable by a company in a financial year in respect of general business reinsurance treaties do not exceed $2\frac{1}{2}$ per cent of the gross premiums receivable by the company in that year in respect of general business, no information shall be shown on Form 29 relating to reinsurance treaties.

(6) Subject to paragraph (7) below, where the gross premiums receivable by a company in a financial year in respect of general business reinsurance treaties falling within a category in respect of which information is required to be shown on Form 29 do not exceed the lesser of £100,000 and $2\frac{1}{2}$ per cent of the gross premiums receivable by the company in that year in respect of general business treaty reinsurance accepted in that year, no information shall be shown on Form 29 relating to reinsurance treaties included in any such category.

(7) Where a company has, in respect of any financial year, shown information on Form 29 relating to any reinsurance business then, notwithstanding the provisions of paragraph (5) or paragraph (6) above, as the case may be, information relating to that business shall be shown on Form 29 in respect of each relevant later financial year.

(8) Where information is shown on Form 29 in relation to a reinsurance treaty accepted before the first financial year of the company in respect of

which Form 29 is required to be prepared, information relating to that treaty in respect of business incepted in earlier financial years—

- (a) may be aggregated instead of being shown separately in respect of each such financial year, and
- (b) may, in the case of business incepted before 1st January 1983 for which the information is not available, be shown as an estimate.

Additional information on general business accepted under reinsurance treaties (proportional)

22.—(1) Without prejudice to Regulation 9 above, this Regulation has effect in relation to all proportional treaty reinsurance business accepted in respect of which, in relation to a financial year of a company, information is not shown on Form 29 pursuant to Regulation 21 above.

(2) Every company which carries on general business shall, for the purposes of this Regulation, allocate its general business proportional treaty reinsurance accepted to separate categories including—

- (a) casualty (including classes 1, 2 and 13); and
- (b) property (including classes 4, 8 and 9),

and shall, in respect of each financial year and in accordance with the requirements of Schedule 2 below prepare Form 27 (which shall be annexed to the documents referred to in Regulations 6, 7 and 8 above) showing the information specified in respect of each such category of proportional reinsurance business:

Provided that—

- (i) instead of allocating business within a class or classes referred to in either of sub-paragraphs (a) and (b) above to a category therein mentioned, a company may allocate all its reinsurance business within that class or those classes to a separate category comprising only that class or those classes; and
- (ii) the number of categories to which business is allocated in accordance with this paragraph shall not exceed ten.

(3) For the purposes of paragraph (2) above, all reinsurance treaties accepted, other than those included in the categories mentioned in sub-paragraphs (a) and (b) of that paragraph, under which it may reasonably be foreseen that a substantial proportion of claims will be settled more than ten years after the inception of the business shall be allocated to one or more separate categories including only such treaties.

(4) Paragraphs (3) to (7) of Regulation 21 above shall have effect for the purposes of this Regulation as they have effect for the purposes of that Regulation with the substitution for references to Form 29 of references to Form 27.

Prescribed class of general business

23. General business is hereby prescribed as a class of insurance business for the purposes of section 20 of the Act and every company which carries on such

business shall, in respect of each financial year and in accordance with the requirements of Schedule 2 below, prepare a statement of business of that class in Form 30.

Periodic actuarial investigation

24. Save in relation to sub-paragraph (a)(ii) below, for the purposes of section 18 of the Act, ordinary long-term insurance business and industrial assurance business shall be treated separately and—

- (a) the abstract of the report of the actuary on long term business—
 - (i) shall comply with the requirements of Schedule 4 below and shall contain the information (together with such of Forms 55 to 58 as may be appropriate) specified in that Schedule, and
 - (ii) except in the case of a Community company (other than a United Kingdom company or a pure reinsurer) and a Community deposit company, shall also include Form 60 and, where appropriate, Form 61; and
- (b) the statement of long term business shall comply with the requirements of Schedule 5 below and shall contain the information (together with Forms 65 to 78) specified in that Schedule.

Signature of documents

25.—(1) In respect of any document relating to the business of a company wherever it may be carried on, the persons prescribed for the purposes of section 22(3) of the Act are—

- (a) in any case—
 - (i) where there are more than two directors of the company, at least two of those directors and, where there are not more than two directors, all the directors; and
 - (ii) a chief executive, if any, of the company or (if there is no chief executive) the secretary, if any; and
- (b) in the case of an abstract or statement under section 18 of the Act, the actuary who made the investigation to which the abstract relates or by reference to which the statement was prepared.

(2) In respect of any document relating to business carried on through an agency or branch in the United Kingdom by a Community company, Community deposit company or an external company or through agencies or branches in any member States taken together by a United Kingdom deposit company, the persons prescribed for the purposes of section 22(3) of the Act are—

- (a) in any case—
 - (i) the representative referred to in sections 8(1) or 9(4) of the Act or, where the representative is a body corporate, the individual representative referred to in section 10(5) of the Act; and
 - (ii) an officer or employee of the description specified in section 8(4)(b) of the Act or, if there is no such officer or employee or he is also the representative or individual representative referred to

above, an employee of the description specified in section 8(4)(c) of the Act; and

- (b) in the case of an abstract or statement under section 18 of the Act, the actuary who made the investigation to which the abstract relates or by reference to which the statement was prepared.

Certificates

26. There shall be annexed to the documents referred to in Regulations 6, 7 and 8 above—

- (a) a certificate in accordance with the requirements of Part I of Schedule 6 below which shall be signed by the persons required by Regulation 25 above to sign the documents to which the certificate relates; and
- (b) in the case of a company which has at any time during the financial year carried on long term business a certificate in accordance with the requirements of Part II of Schedule 6 below which shall be signed by the appointed actuary.

Audit and auditors' report

27.—(1) The documents referred to in Regulations 6, 7 and 8 above, and every statement, analysis, report or certificate annexed thereto pursuant to Regulations 16, 17, 19, 21, 22 and 26(a) above, shall be audited by a person of the description prescribed under Regulation 30 below who shall make and annex to the documents aforesaid a report in accordance with the requirements of Part III of Schedule 6 below.

(2) For the purposes of these Regulations—

- (a) section 14(4), (5) and (6) of the Companies Act 1967(a) shall apply as if—
- (i) in sub-section (4) of that section the words “(unless it is framed as a consolidated profit and loss account)” wherever they occur therein were omitted and as if the references to the profit and loss account included references to the revenue account, and
- (ii) the auditors of a company were not under a duty for the purposes of preparing their report to carry out any investigation into information given in Forms 33 and 35 relating wholly or partly to the number of claims notified or the amount of payments made prior to the financial year of the company to which the Insurance Companies (Accounts and Statements) Regulations 1980(b) first applied; and
- (b) section 18(1) of the Companies Act 1976(c) shall apply as if the reference therein to “the holding company” were a reference to the insurance company.

(a) 1967 c.81.
(b) S.I. 1980/6.
(c) 1976 c.69.

Qualifications of actuary

28.—(1) For the purposes of the definition of “actuary” in section 96(1) of the Act, it is hereby prescribed that a person qualified for appointment as an actuary under section 19 of the Act shall be a Fellow of the Institute of Actuaries or of the Faculty of Actuaries and shall have attained the age of 30 years.

(2) Any person who, immediately before 1st January 1981, held an appointment as actuary to a company by virtue of Regulation 15 of the Insurance Companies (Accounts and Forms) Regulations 1968(a) shall, notwithstanding paragraph (1) above, be deemed for the purposes of these Regulations and for the period during which he continues to hold that appointment to be qualified to hold that appointment.

Information on appointed actuary

29.—(1) Subject to the provisions of this Regulation, a company shall annex to the documents referred to in Regulations 6, 7 and 8 above and relating to each financial year of the company as respects every person who, at any time during the year, was the appointed actuary to the company, a statement of the following information, that is to say,—

- (a) particulars of any shares in, or debentures of, the company in which the actuary was interested at any time during that year;
- (b) particulars of any pecuniary interest of the actuary in any transaction between the actuary and the company and subsisting at any time during that year or, in the case of transactions of a minor character, a general description of such interests;
- (c) the aggregate amount of—
 - (i) any remuneration and the value of any other benefits (other than a pension or other future or contingent benefit) under any contract of service of the actuary with, or contract for services by the actuary to, the company, and
 - (ii) any emoluments, pensions or compensation as director of the company which are required by section 196 of the Companies Act 1948(b) to be included in a note to the accounts of the company under section 1 of the Companies Act 1976, receivable by the actuary in respect of any period in that year; and
- (d) a general description of any other pecuniary benefit (including any pension and other future or contingent benefit) received by the actuary from the company in that year or receivable by him from the company,

together with the statement specified in paragraph (2) below.

(2) The statement last referred to in paragraph (1) above is a statement that the company has made a request to the actuary to furnish to it the particulars specified in that paragraph and identifying any particulars furnished pursuant to that request.

(a) S.I. 1968/1408.

(b) 1948 c.38.

- (3) For the purposes of sub-paragraphs (a) to (d) of paragraph (1) above—
- (a) references to the actuary include reference to—
 - (i) the spouse and minor child (including step-child and, in relation to Scotland, a pupil) of the actuary;
 - (ii) any person who is a partner of the actuary;
 - (iii) any person (other than the company) of which the actuary is an employee; and
 - (iv) any body corporate (other than the company) of which the actuary is a director or which is controlled by him;
 - (b) a person shall be deemed to be interested in shares or debentures of a body corporate if he is interested in them according to the rules set out in section 28 of the Companies Act 1967(a) with the addition, in subsection (9) of that section, of a reference to a scheme under section 20 of the Charities Act (Northern Ireland) 1964(b) and to an authorised unit trust scheme within the meaning of the Prevention of Fraud (Investments) Act (Northern Ireland) 1940(c); and
 - (c) a person shall be deemed to have any interest or benefit if he has a beneficial interest in it.
- (4) For the purposes of sub-paragraphs (a) to (d) of paragraph (1) above and of paragraph (3)(a) above, references to a company include references to any body corporate which is the company's subsidiary or holding company and to any other subsidiary of its holding company.
- (5) For the purposes of paragraph (3) above, a person shall be taken to control a body corporate if he is a person—
- (a) in accordance with whose directions or instructions the directors of that body corporate or of a body corporate of which it is a subsidiary are accustomed to act, or
 - (b) who, either alone or with any other person falling within sub-paragraph (a) of that paragraph, is entitled to exercise, or control the exercise of, one-third or more of the voting power at any general meeting of the body corporate or of a body corporate of which it is a subsidiary.

Qualifications of auditor

30. For the purposes of section 21 of the Act, it is hereby prescribed that the description of the person qualified to audit the accounts and statements of a company under Regulation 27 above shall be a person who would be qualified to audit them (otherwise than by virtue of section 13 of the Companies Act 1967) if they were the accounts of a company within the meaning of the Companies Acts 1948 to 1981 prepared under section 1 of the Companies Act 1976.

(a) 1967 c.81.
(b) 1964 c.33 (N.I.).
(c) 1940 c.9 (N.I.)

Transitional provisions

31.—(1) Every document submitted to the Secretary of State pursuant to section 22 of the Act in respect of a financial year of a company preceding that financial year of the company to which these Regulations first apply shall be in the form in which it would have been and have the contents which it would have had if these Regulations had not been made; and Regulation 32 below shall be construed accordingly.

(2) A company shall not be required to include in any account or balance sheet prepared in accordance with these Regulations any information relating to the financial year of the company immediately preceding that financial year of the company to which the Insurance Companies (Accounts and Statements) Regulations 1980(a) first applied by virtue of Regulation 2(1) thereof.

(3) Any reference in any provision of these Regulations to a document submitted to the Secretary of State or prepared in respect of a financial year of a company which is a financial year of the company preceding that to which these Regulations first apply shall be construed as a reference to the document so submitted or prepared in accordance with the corresponding provisions of the Regulations hereby revoked.

Revocations

32. The Regulations specified in Schedule 7 below are hereby revoked.

7th December 1983.

Alexander Fletcher,
Parliamentary Under Secretary of State,
Department of Trade and Industry.

(a) S.I. 1980/6.

Regulations 6 and 7

SCHEDULE 1

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
(Forms 9 to 16)

1. All the Forms included in the part of the return to which this Schedule relates (Forms 9 to 16) are to be laid out as shown in this Schedule.

Completion of Forms

2. Where "source" appears at the head of a column on a Form, the information to be included in the preceding columns of a particular line is to be taken from those items in the returns to which reference is made on that line in the column headed "source". No entries are to be made in the column headed "source".

3.—(1) The company registration number to be entered on every Form shall be whichever is first applicable of the following—

- (a) in the case of a company incorporated in the United Kingdom, the registration number allocated by the appropriate Registrar;
- (b) in the case of an overseas company with an established place of business within Great Britain, the number allocated by the appropriate Registrar of Companies on the registration of its documents under Part X of the Companies Act 1948(a);
- (c) in any other case, such number as may be agreed between the company and the Secretary of State.

(2) Boxes marked "Global/UK/CM" or "Global/UK" shall be completed by inserting—

- (a) "UK" in the case of a Form which is part of the returns prepared by a Community company (other than a United Kingdom company or a pure reinsurer) or a Community deposit company in respect of long term or general business carried on through an agency or branch in the United Kingdom or in respect of returns prepared by an external company (other than a pure reinsurer) in respect of long term or general business carried on through an agency or branch in the United Kingdom; or
- (b) "CM" in the case of a Form which is part of the returns prepared by a United Kingdom deposit company in respect of long term or general business carried on through agencies or branches in the member States concerned; or
- (c) "GL" in any other case.

(3) Boxes marked "Period ended" should be completed so as to show, in numerals, the date of the last day of the financial year to which the returns relate.

(a) 1948 c.38.

(4) No entry should be made in a box which is shaded, is labelled "For official use", or is not labelled.

Currency

4. Except as provided in paragraph 5 of this Schedule, the following shall be expressed in sterling as if conversion had taken place at the closing middle rate on the last day for which the appropriate rate is available in the financial year to which the figures relate—

- (a) the value of any asset or liability expressed in a currency other than sterling;
- (b) amounts of premiums and other income receivable in a currency other than sterling;
- (c) amounts of claims and other expenditure payable in a currency other than sterling.

5. Notwithstanding the provisions of paragraph 4 of this Schedule, amounts of income and expenditure in currencies other than sterling relating to business which is—

- (a) long term business, or
- (b) general business carried on in the United Kingdom in accounting classes 3, 4, 5, 9 or 10, or
- (c) home foreign business,

may be expressed in sterling using other bases of conversion provided that a note is included in the returns stating the bases employed.

Presentation of amounts

6. Negative amounts shall be shown between round brackets.

7. Where any amount which is shown as brought forward from a previous year differs from the corresponding amount shown as carried forward from that year and the difference is not due solely to the fact that a different rate has been used to express other currencies in sterling, a note of explanation shall be included in the return.

8.—(1) Except to the extent permitted by sub-paragraphs (2) and (3) of this paragraph amounts due to or from the company shall be shown as gross amounts.

(2) In calculating amounts due to the company, amounts due from any one person may be included net of amounts due to that person and, in calculating amounts due from the company, amounts due to any one person may be included net of amounts due from that person.

(3) For the purposes of sub-paragraph (2) above amounts due from or to any person through an intermediary may be regarded as due from or to that intermediary.

(4) If amounts shown include amounts calculated on the basis set out in sub-paragraphs (2) and (3) above, a note to that effect shall be included and if more than 25 per cent of any such amount shown as due to the company is due from or through any one intermediary, or from or through any one intermediary and any of its connected companies, a note shall also be included to that effect.

(5) In this paragraph “connected company” means a company which is a connected company within the meaning of Part III of Schedule 8 to the Insurance Companies Regulations.

9. All amounts are to be shown to the nearer £1,000.

Contingent liabilities

10.—(1) Contingent liabilities are normally to be included under the appropriate headings in Form 14 in respect of long term business and Form 15 in respect of other business.

(2) The matters referred to in the following sub-paragraphs are to be stated by way of a note to Forms 14 or 15—

- (a) particulars of any charge on the assets of the company to secure the liabilities of any other person (other than liabilities arising under a contract of insurance) including, where practicable, the amount secured;
- (b) whether any provision has been made for any liability to tax on capital gains which might arise if the company disposed of its assets and, if so, the amount of the provision;
- (c) the general nature of any other contingent liabilities not included in the manner specified in sub-paragraph (1) of this paragraph (other than a liability arising under a contract of insurance) and, where practicable, the amounts or estimated amounts of those liabilities.

Returns under Insurance Companies Legislation

Form 9
(Sheet 1)

Statement of solvency

Name of Company

Global business/UK branch business/Community branch business

Company registration number Global/UK/CM day Period ended month year Units For official use

Financial year ended

F9				19	£000	
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	As at the end of the financial year 1	As at the end of the previous year 2	Source
			Form Line Column

GENERAL BUSINESS

Available assets

Other than long term business assets allocated towards general business required minimum margin	11			See instructions 1 and 2 below
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Required minimum margin

Required minimum margin for general business	12			12.49
Excess (deficiency) of available assets over the required minimum margin (11 - 12)	13			
Implicit items admitted under regulation 10(4) of the Insurance Companies Regulations 1981	14			

LONG TERM BUSINESS

Available assets

Long term business admissible assets	21			10.11
Other than long term business assets allocated towards long term business required minimum margin	22			See instructions 1 and 3 below
Total mathematical reserves (after distribution of surplus)	23			See instruction 4 below
Other insurance and non-insurance liabilities	24			See instruction 5 below
Available assets for long term business required minimum margin (21 + 22 - 23 - 24)	25			

Implicit items admitted under regulation 10(4) of the Insurance Companies Regulations 1981

Future profits	31			
Zillmerising	32			
Hidden reserves	33			
Total of available assets and implicit items (25 + 31 + 32 + 33)	34			

Required minimum margin

Required minimum margin for long term business	41			60.13
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42			
Excess (deficiency) of available assets over explicit required minimum margin (25 - 42)	43			
Excess (deficiency) of available assets and implicit items over the required minimum margin (34 - 41)	44			

**INSURANCE
INDUSTRIAL ASSURANCE**

Form 8

(Sheet 2)

Returns under Insurance Companies Legislation

Statement of solvency

Name of Company

Company
registration
numberPeriod ended
Global/
UK/CM day month yearFor
official
use

Global business/UK branch business/Community branch business

Financial year ended

F9				19	£000	
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	As at the end of the financial year 1	As at the end of the previous year 2	Source		
			Form	Line	Column

ALLOCATION OF OTHER THAN LONG TERM BUSINESS ASSETS

Other than long term business assets allocated towards general business required minimum margin	51			
Other than long term business assets allocated towards long term business required minimum margin	52			
Net other than long term business assets (51 + 52)	53			10.29

CONTINGENT LIABILITIES

Quantifiable contingent liabilities in respect of other than long term business as shown in a supplementary note to Form 15	60			See Instruction 6 below
Quantifiable contingent liabilities in respect of long term business as shown in a supplementary note to Form 14	61			See Instruction 6 below

Instructions

- (1) For a composite company, the whole Form shall be completed, with the entries at lines 11 and 22 being equal to the entries at lines 51 and 52 respectively.
- (2) For a company transacting only general business, only lines 11 to 14 and line 60 shall be completed, with the entry at line 11 being equal to the entry at Form 10 line 29.
- (3) For a company transacting only long term business, only lines 21 to 44 and lines 60 and 61 shall be completed, with the entry at line 22 being equal to the entry at Form 10 line 29.
- (4) The entry at line 23 shall be equal to the sum of lines 11 and 15 in Form 14 and the amount (if any) stated in a note to that Form in accordance with Instruction 3 to that Form.
- (5) The entry at line 24 shall be equal to the total of lines 21 to 47 in Form 14 and the amount of any cash bonuses stated in a note to that Form in accordance with Instruction 2 to that Form.
- (6) The entries at lines 60 and 61 shall not include provision for any liability to tax on capital gains referred to in paragraph 10(2) (b) of Schedule 1.

Form 10

Returns under Insurance Companies Legislation

Statement of net assets

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

F10	Company registration number	Period ended			Units	For official use
		Global/UK/CM day	month	year		
				19	£000	
		As at the end of the financial year	As at the end of the previous year	Source		
		1	2	Form	Line	Column
	Long Term business-admissible assets	11				13.93
	Long Term business-liabilities and margins	12				14.59
	Other than Long Term business-admissible assets	21				13.93
	Other than Long Term business-liabilities	22				15.59
	Net admissible assets (21-22)	27				
	Unpaid capital — as per line 53	28				
	Net assets (27 + 28)	29				
	Authorised share capital	41				
	Paid up share capital	51				
	Share premium account	52				
	Unpaid amounts (including share premium) on partly paid shares within the limits allowed by Regulation 10 of the Insurance Companies Regulations 1981	53				
	Amounts representing the balance of net assets	54				
	Total (51 to 54) and equal to line 29 above	59				

INSURANCE INDUSTRIAL ASSURANCE

Returns under Insurance Companies Legislation

Form 11

General business: Calculation of required margin of solvency – first method

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

		Company registration number	Global/UK/CM	Period ended			Units	For official use
				day	month	year		
		F11			19		£000	
		The financial year 1		Previous year 2		Source		
						Form	Line	Column
Gross premiums receivable		11				See Note below		
Premium taxes and levies (included in line 11)		12						
Sub-total A (11–12)		13						
Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure		14						
Division of Sub-total A (or adjusted Sub-total A, if appropriate)	Other than health insurance	Up to and including sterling equivalent of 10M ECU × 18/100	15					
		Excess (if any) over 10M ECU × 16/100	16					
	Health insurance	Up to and including sterling equivalent of 10M ECU × 6/100	17					
		Excess (if any) over 10M ECU × 16/300	18					
Sub-total B (15 + 16 + 17 + 18)		19						
Claims paid		21						
Claims outstanding carried forward at the end of the financial year	For business not accounted for on a one-year basis	22						
	For business accounted for on a one-year basis	23						
Claims outstanding brought forward at the beginning of the financial year	For business not accounted for on a one-year basis	24						
	For business accounted for on a one-year basis	25						
Sub-total C (21 + 22 + 23 – (24 + 25))		29						
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		30						
Sub-total D (29–30)		39						
First result	Sub-total B × $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if $\frac{1}{2}$ is a greater fraction, × $\frac{1}{2}$)	41						

Note

The amount to be entered at line 11.11.1 is the sum of 21.41.1 (all appropriate accounting classes), 25.71.5 and 25.72.5 for all appropriate accounting classes except class 9 (or 24.11.5 and 24.12.5 where grossing up has not been required), 26.19.5 and 26.49.5 for non-proportional treaty reinsurance, and 28.19.3 and 28.49.3 for proportional treaty reinsurance.

Returns under Insurance Companies Legislation

Form 12

General business: Calculation of required margin of solvency – second method, and statement of required minimum margin

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Company registration number Global/UK/CM Period ended day month year Units For official use

F12				19	£000	
		The financial year 1	Previous year 2	Source		
				Form	Line	Column
Reference period (No. of financial years) Insert "3" or "7" here <input type="text"/>		11		See note		
Claims paid in reference period		21				
Claims outstanding carried forward at the end of the reference period	For business not accounted for on a one-year basis	22				
	For business accounted for on a one-year basis	23				
Claims outstanding brought forward at the beginning of the reference period	For business not accounted for on a one-year basis	24				
	For business accounted for on a one-year basis	25				
Sub-total E (21 + 22 + 23 – (24 + 25))		29				
Sub-total F – Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)		31				
Division of Sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100	32			
		Excess (if any) over 7M ECU x 23/100	33			
	Health insurance	Up to and including sterling equivalent of 7M ECU x 26/300	34			
		Excess (if any) over 7M ECU x 23/300	35			
Sub-total G (32 + 33 + 34 + 35)		39				
Second result Sub total G x $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if $\frac{1}{2}$ is a greater fraction, x $\frac{1}{2}$)		41				
First result		42				11.41
Required margin of solvency (the higher of lines 41 and 42)		43				
Minimum guarantee fund		44				
Required minimum margin (the higher of lines 43 and 44)		49				

Note

If the company has not been in existence long enough to acquire a reference period, this shall be stated and lines 11 to 41 ignored.

INSURANCE
INDUSTRIAL ASSURANCE

Form 13
(Sheet 3)

Returns under Insurance Companies Legislation
Analysis of admissible assets

Name of Company

Global business/UK branch business/Community branch business

Business: Long Term/Other than Long Term

Financial Year ended

Category of Assets

Company registration number	Global/UK/CM	Period ended			Units	Category of assets	For official use
		day	month	year			
F13			19		£000		
Admissible assets							
Shares in Building Societies and Industrial and Provident Societies							
Cash							
Computer equipment							
Other office machinery, furniture, motor vehicles and other equipment							
Life interests, reversionary interests and similar interests in property							
Linked assets							
linked assets in internal linked funds (as shown in line 12 on Form 49)							
other linked assets							
Total of Sheet 1 (13.39)							
Total of Sheet 2 (13.69)							
Gross Total of admissible assets (71 to 92)							
Total of assets valued in accordance with valuation regulations which would have been included in one of the headings above but for the admissibility limits applied by which certain assets are required to be taken into account only to a specified extent							
Amount included in line 93 attributable to debits due from related companies, other than those under contracts of insurance or reinsurance							

Returns under Insurance Companies Legislation

Analysis of admissible assets

Name of Company

Global business/UK branch business/Community branch business

Business: Long Term/Other than Long Term

Financial year ended

Category of Assets

Company registration number	Period ended		Units	Category of assets	For official use
	Global/UK/CM	day month year			
F13	19	£000			

Admissible assets		As at the end of the financial year 1	As at the end of the previous year 2
Loans secured by policies of insurance issued by the company			
		41	
Tax recoveries due from taxation authorities			
		42	
Deposit and current accounts with approved financial institutions, and deposits with other authorities and Building Societies	Current accounts and amounts on deposit for a fixed term of, or on deposit and withdrawable after giving notice of, 12 months or less after the end of the financial year, and certificates of deposit maturing during that period	43	
	Other	44	
	Premium income in respect of direct insurance and facultative reinsurance contracts accepted not yet paid to the company less commission payable thereon	51	
Insurance debts including those due from dependants and individuals	Amounts due from ceding insurers and intermediaries under reinsurance treaties accepted	52	
	Amounts due from reinsurers and intermediaries under reinsurance contracts ceded	53	
	Recoveries due by way of salvage or from other insurers in respect of claims paid other than recoveries under reinsurance contracts ceded	54	
Debts fully secured on land except listed debentures (which must be included in line 13), debts due from dependants (which must be included in lines 30, 32 or 34), and debts due from individuals (which must be included in lines 64 or 66)	due more than 12 months after the end of the financial year	61	
	due in 12 months or less after the end of the financial year, or which would become due if the company exercised any right to require repayment within that period	62	
	due from companies and unincorporated bodies of persons	63	
Debts except those which must be included in other lines	due more than 12 months after the end of the financial year due from individuals	64	
	due in 12 months or less after the end of the financial year, or which would become due if the company exercised any right to require repayment within that period due from companies and unincorporated bodies of persons	65	
	due from individuals	66	
Total (41 to 66)		69	

INSURANCE
INDUSTRIAL ASSURANCE

Form 13
(Sheet 1)

Returns under Insurance Companies Legislation

Analysis of admissible assets

Name of Company

Global business/UK branch business/Community branch business

Business: Long Term/Other than Long Term

Financial year ended

Category of Assets

F13	Company registration number	Global/UK/CM day	Period ended month year	Units	Category of assets	For official use
			19	£000		

Admissible assets		As at the end of the financial year	As at the end of the previous year
		1	2
Land			
	Issued by, or guaranteed by, any government or public authority		
Fixed interest securities	listed		
	Other fixed interest securities except those in dependants which must be included in lines 29 to 34 and any to be included in lines 61 or 62		
	unlisted debentures other unlisted		
Variable interest securities except those included at lines 21 to 34	Issued by, or guaranteed by, any government or public authority, except those included at line 17		
	Issued by, or guaranteed by, any government or public authority, where the capital value or interest is determined by an index of prices		
	Other		
Other variable interest investments	Equity shares except those in dependants which must be included in lines 29, 31 or 33		
	listeds unlisted		
Investments in dependants	Holdings in authorised unit trust schemes		
	Companies authorised to transact insurance business in the United Kingdom		
	Value of any shares held Debts, other than amounts which must be included in lines 41 or 51 to 54		
Share options and debenture options	Value of any shares held Debts, other than amounts which must be included in lines 41 or 51 to 54		
	Other insurance companies Value of any shares held Debts, other than amounts which must be included in lines 41 or 51 to 54		
	Non-insurance companies Value of any shares held Debts, other than amounts which must be included in lines 41 or 51 to 54		
Total (11 to 35)		39	

Instructions for Completion of Form 13

1 Long-term business: Form 13 shall be completed for the total long-term business assets of the company or branch and for each fund or group of funds for which separate assets are appropriated. The word "Total" or the name of the fund shall be shown against the heading "Category of Assets". The corresponding code box shall contain "10" for the total assets and, in the case of separate funds, code numbers allocated sequentially beginning with code "11".

2 Other than long-term business: Form 13 shall be completed in respect of the total assets of the company or branch (other than any long-term business assets) and code "1" entered in the code box "Category of Assets".

3 (a) In the case of the United Kingdom branch return of an external company (other than a pure reinsurer) Form 13 shall be completed for the following categories of assets —

Category	Code
Assets deposited with the Accountant General	2
Assets maintained in the United Kingdom	3
Assets maintained in the United Kingdom and the other member States	4

(b) In the case of a Community branch return of a United Kingdom deposit company, Form 13 shall be completed for the following categories of assets —

Category	Code
Assets deposited with the Accountant General	2
Assets maintained in the United Kingdom and the other member States where business is carried on	5
Assets maintained in the United Kingdom and the other member States	4

4 Linked assets shall be included in lines 85 and 86 wherever appropriate and not in lines 11 to 83.

5 In line 83 "life interests, reversionary interests and similar interests in property" means those interests of the kind described in Regulation 47 of the Insurance Companies Regulations 1981.

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INSURANCE INDUSTRIAL ASSURANCE

Returns under Insurance Companies Legislation

Form 14

Long Term business liabilities and margins

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Company
registration
numberGlobal/
UK/CMPeriod ended
day month year

Units

For
official
use

F14										
		19	£000							
		As at the end of the financial year 1	As at the end of the previous year 2	Source						
					Form	Line	Column			
Ordinary Long Term Business (all funds)	Mathematical reserves as shown in Schedule 4, after distribution of surplus	11			See Instruction 1 below					
	Balance of long term business funds	12			See Instruction 2 below					
	Ordinary long term business funds (11 + 12)	13			40 - 16					
	Valuation deficiencies	14								
Industrial Assurance Business	Mathematical reserves as shown in Schedule 4, after distribution of surplus	15			See Instruction 1 below					
	Balance of long term business funds	16			See Instruction 2 below					
	Industrial long term business funds (15 + 16)	17			40 - 16					
	Valuation deficiencies	18								
Other Insurance Liabilities	Claims admitted but not paid	21								
	Amounts due in respect of direct insurance and facultative reinsurance contracts accepted except amounts which must be included in line 21	31								
	Amounts due to ceding insurers and intermediaries under reinsurance treaties accepted except amounts which must be included in line 21	32								
	Amounts due to reinsurers and intermediaries under reinsurance contracts ceded	33								
Other Liabilities	Loans secured	41								
	Loans unsecured	42								
	Taxation	44								
	Other creditors	47								
Excess of the value of admissible assets representing the long term business funds over the amount of those funds		51			See Instruction 3 below					
Total (13 + 14 + 17 to 51)		59								
Amount included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61								
Amount included in line 59 attributable to liabilities in respect of property linked benefits		62								

Instructions:

- 1 The entries at 14.11 and 14.15 shall equal the sum of lines 9, 19, 20 and 21 of the appropriate Form 58.
- 2 The amount of any cash bonuses allocated but not yet paid to policy holders, as shown in 58.18, (which together with 58.25 constitutes the balance of the long-term business funds) shall be stated in a note.
- 3 The value of admissible assets representing the long term business funds is determined by deducting from the total value of the admissible assets an amount equal to the liabilities itemised in lines 21 to 47. The amount of any additional mathematical reserves included in line 51 which have been taken into account in the actuary's certificate because the amount of the mathematical reserves determined in Schedule 4 was not calculated in all respects in relation to assets valued in accordance with Part V of the Insurance Companies Regulations 1981, as shown in Form 13, shall be stated in a note.

Returns under Insurance Companies Legislation

Form 15

Liabilities (other than Long Term business)

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Company registration number Global/UK/CM Period ended Units For official use

F15					19	£000	
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			As at the end of the financial year 1	As at the end of the previous year 2	Source				
					Form	Line	Column		
General business technical reserves	Unearned premiums	21			See Note below				
	Additional amount for unexpired risks	22							
	Claims outstanding (less amounts recoverable from reinsurers)	Reported claims	23						
		Claims incurred but not reported	24						
	Expenses for settling claims outstanding	25							
	Funds	26							
	Claims equalisation	27							
	Other	28							
Total (21 to 28)	29								
Other insurance liabilities	Amounts due in respect of direct insurance and facultative reinsurance contracts accepted except amounts which must be included in line 29	31							
	Amounts due to ceding insurers and intermediaries under reinsurance treaties accepted except amounts which must be included in line 29	32							
	Amounts due to reinsurers and intermediaries under reinsurance contracts ceded	33							
Other liabilities	Loans secured	41							
	Loans unsecured	42							
	Subordinated loan stock	43							
	Taxation	44							
	Recommended dividend	45							
	Cumulative preference share dividend accrued	46							
Other creditors	47								
Total (29 to 47)	59								
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61							

Note

The sources are as follows. Line 21 All forms 21.29.6 + 21.31.6
 —(22.23.3 + 22.24.3 — 22.25.3) Line 23 All forms 22.31.3 + 22.41.3
 Line 22 Summary form 20.23 Line 24 All forms 22.32.3 + 22.42.3 Line 25 All forms 22.21.3 + 22.22.3
 Line 26 All forms 24.42.5 + 27.46.3

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**INSURANCE
INDUSTRIAL ASSURANCE**

Returns under Insurance Companies Legislation

Form 16**Statement of other income and expenditure**

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

	Company registration number	Period ended			Units	For official use
		Global/UK/CM	day	month		
	F16				19	£000
	The financial year 1	Previous year 2	Source			
			Form	Line	Column	
Transfer from (to) Long Term Business Revenue Account	11					
Transfer from (to) General Business Revenue Account Summary	12				20 - 79	
Investment income receivable, before deduction of tax	13				See Note below	
Other income	14				See Note below	
Total (11 to 14)	19					
Management expenses	21				See Note below	
Interest payable, before deduction of tax	22					
Taxation, other than that applicable to long term business	23					
Dividends paid and/or recommended	24					
Other expenditure	25				See Note below	
Total (21 to 25)	29					
Excess of income over expenditure (19-29)	39					

Note

The amounts at lines 13, 14, 21 and 25 exclude any amounts included elsewhere in the returns.

SCHEDULE 2

Regulations 8, 9, 11,
12, 13, 14, 21, 22 and 23GENERAL BUSINESS: REVENUE ACCOUNT AND ADDITIONAL INFORMATION
(Forms 20 to 37)

1. All the Forms included in the part of the return to which this Schedule relates (Forms 20 to 37) are to be laid out as shown in the Schedule except that Forms 29 and 30 need only be in the general form shown.

2. The provisions of paragraphs 2 to 7 of Schedule 1 above shall, unless otherwise provided, also apply for the purposes of this Schedule.

Currency

3. Notwithstanding the provisions of paragraph 2 of this Schedule, amounts on Form 29 submitted in accordance with Regulation 21 and on Forms 31, 33, 34 and 35 submitted in accordance with Regulation 11 in respect of business carried on in any country other than the United Kingdom shall be shown in the currency of the country concerned, except that figures shall be shown in sterling in those columns and lines which the Forms indicate are always to contain figures expressed in sterling. For every currency other than sterling in which amounts are shown on these Forms an entry shall be made on Form 36 to show the rate used to convert those amounts to sterling for inclusion elsewhere in the returns.

4. All amounts shown in sterling shall be shown to the nearer £1,000. Amounts in any other currency on Forms 29, 31, 33, 34 and 35 shall be shown to the nearer 1,000 principal monetary units of that currency except that, where the rate of exchange of the currency in relation to sterling on the last day of the company's financial year exceeded 1,000 principal monetary units of that currency, the amounts shall be shown to the nearer 1,000,000 principal monetary units and the fact that this has been done shall be indicated by inserting "000,000" in the box labelled "Monetary units". In other cases, this box shall be completed by inserting "000".

5.—(1) Where premiums are receivable by a company or claims are paid by it under a reinsurance treaty,—

- (a) notwithstanding paragraphs 2 to 4 above, amounts shown on Form 29 may be shown in sterling or in United States dollars or in Canadian dollars or in an appropriately weighted average of European currencies; and
- (b) if in a financial year the proportion of gross premiums receivable, or of claims paid by the company or outstanding from the company, in any one currency other than sterling, United States dollars or Canadian dollars exceeds ten per cent of such premiums or claims under all such treaties, Form 29 may be prepared in that currency,

and where the provisions of this sub-paragraph have been applied in respect of a reinsurance treaty in relation to a financial year, those provisions shall be

applied in the same manner in respect of that treaty in relation to any later financial year.

(2) An explanation in a note annexed to the Form shall be given of the method by which the said average has been determined and of any change from the manner in which Form 29 was prepared in respect of the preceding financial year.

Accounting classes

6.—(1) Direct insurance and facultative reinsurance shall be included in the returns in accordance with the accounting classes save that—

- (a) where a company undertakes business in accounting class 4 only in respect of risks relating to hovercraft, it may account for such business in accounting class 3 if it also undertakes business in that class; and
- (b) a company may include in accounting class 5 business covering liability for loss or damage to or of goods in transit which would otherwise be included in accounting class 2 provided that the policy does not cover damage to vehicles except as a related and subsidiary provision within the meaning of section 1(2) and (4) of the Act.

(2) Treaty reinsurance within accounting classes 3, 4 and 5, when accounted for on a three-year basis, shall also be included in the returns in the appropriate class.

(3) Treaty reinsurance business other than that for which provision is made in accounting classes 3, 4 and 5 shall be included in accounting classes 9 or 10.

7. Boxes marked “Accounting class” or “Accounting class code” shall be completed so as to show the number of the accounting class. “99” shall be shown in the case of the summary account in Form 20.

UK and overseas premiums

8. For the purpose of this Schedule a premium receivable shall be shown or included as a UK premium if, in the case of direct insurance or inwards facultative reinsurance, the contract of insurance was made in the United Kingdom or if, in the case of a reinsurance treaty, the cedant was a company having its head office in the United Kingdom or was a member of Lloyd’s; and “overseas premium” shall be construed accordingly.

Premiums and claims: one-year business

9. In Forms 20, 21 and 31 the amounts of premiums receivable shall be recorded in relation to the date on which the contract of insurance was incepted. However, in relation to business which is included in the reconciliation return in Form 31 or which is obtained through an agent of the company in an overseas territory (and not directly by the company or a branch of the company), the amounts in Forms 20, 21 and 31 may be shown by reference to a date later than that on which the contract was incepted but not later than the date on which the company or a branch of the company recorded that the risk had been accepted.

10. In Forms 20, 22, 23 and 33 where an amount or a number is required to be shown in respect of claims arising from incidents occurring in a specified period or attributed to a specified year of origin, the incidents which shall be included shall be determined by the date on which the incident giving rise to the claim occurred (or is believed by the company to have occurred). However claims included in the reconciliation return in Form 33 may be regarded, for the purposes of completing Forms 20 and 22, as though they all resulted from incidents occurring in the financial year to which the returns relate.

Premiums and claims: three-year business

11. In Forms 24, 25, 26, 34 and 35 where an amount is required to be shown in respect of insurance business inception in a year or in respect of treaties commencing in a year, or in respect of claims attributable to a year of origin, the allocation of business to the year shall be determined in each case by the date on which the contract commenced, and “underwriting year” shall have the same meaning. However in respect of accounting classes 3, 4 and 5 the year may be determined by a date later than that on which the contract commenced but not later than that on which the policy was issued and if this is done a note shall be included in the return stating the basis on which the year has been determined.

Premiums and claims: proportional treaty reinsurance business

12. In Forms 27 and 28 where an amount is required to be shown by reference to the financial year in which insurance business written under a treaty is closed, the year of closing shall be determined by the date on which all relevant accounting information is advised by the cedant to the reinsurer. Business may also be regarded as closed in a financial year if—

- (a) the relevant information has been advised by the cedant after the end of the financial year but before the returns are prepared, or
- (b) the relevant information has not been advised by the cedant but the business relates to a treaty having an effective date of commencement or renewal prior to the beginning of the financial year.

Reconciliation of returns: general business reinsurance

13. An explanation shall be given—

- (a) in a note annexed to Form 27 prepared pursuant to Regulation 9 above reconciling all amounts shown on that Form with amounts shown on each Form 27 prepared pursuant to Regulation 22 above and with amounts shown on each Form 29, and
- (b) in a note annexed to Form 29 reconciling all amounts (in whatever currency) shown on that Form with amounts shown on each Form 29 prepared pursuant to Regulation 21 above and with amounts shown on each Form 24 and each Form 27.

Commission

14. In Form 21, amounts of premiums receivable are to be shown gross of commission. If, because of market practice, it is customary for a company to account for business net of commission, an estimated gross figure must be

shown and the amount recorded as commission payable on Form 22 shall include the difference between the net figure and the estimated gross figure. Where an estimated figure is used an explanation of the basis on which the estimate has been calculated shall be included in a note.

15. In Form 24, the amounts of premium shown at lines 11, 12, 13, 14 and 19 (and accordingly also at lines 1, 2 and 4 of Form 29) are normally to be shown gross of commission. If, because of market practice, it is customary for a company to account for business net of commission, the amount shown in those lines may be net of the commission which would have appeared in line 32. Where premiums are shown net of commission in Form 24 the premium income concerned shall be grossed up by an appropriate amount and shown in lines 71 to 79 on Form 25.

Unearned premiums

16. In Form 21 the basis on which the unearned premiums are calculated shall be stated by way of a supplementary note. If the basis is less accurate than the twenty-fourths method the reason for its adoption shall be included in the note.

Reconciliation returns

17.—(1) In this Schedule “reconciliation return” means the abbreviated returns in Forms 31, 33, 34 and 35 which are prepared under Regulation 12(2) above in respect of business which is excluded from the full requirements of Regulation 11 above.

(2) The headings of the reconciliation return shall be completed so as to show against “Country”—

- (a) “UK Reconciliation” in the case of a Form completed in respect of business carried on in the United Kingdom;
- (b) “Overseas Reconciliation” in any other case.

(3) All amounts in the reconciliation return shall be shown in sterling.

(4) The reconciliation return in Form 31 shall include only premiums receivable in the financial year.

Returns under Insurance Companies Legislation

Form 20

General business: Revenue account

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Accounting class/Summary

F20	Company registration number	Period ended			Units	Accounting class/summary	For official use
		Global/UK/CM	day	month			
				19	£000		
Items to be shown net of outwards reinsurance		The financial year 1	Previous year 2	Source			
				Form	Line	Column	
Underwriting income	Unearned premiums brought forward from previous years and earned in the financial year	11		21	31	5	
	Premiums receivable earned in the financial year	12		21	29	5	
	Additional amount for unexpired risks brought forward	13					
	Total (11+12+13)	19					
Underwriting expenditure	Claims paid and outstanding arising from incidents occurring in the financial year	21		22	16	4	
	Expenses incurred in respect of the financial year	22		22	26	4	
	Additional amount for unexpired risks carried forward	23					
	Total (21+22+23)	29					
Balance of year's underwriting (19-29)		39					
Other underwriting adjustments	Premiums receivable but earned in previous financial years	41		21	11	5	
	Increase (decrease) in the financial year in the estimated cost of claims arising from incidents occurring in previous financial years	42		22	13	4	
	Increase (decrease) in the financial year in expenses for settling claims outstanding at the end of the previous financial year	43		22	21	4	
	Balance (41-42-43)	49					
Funded business	Premiums receivable	51		24	19	5	
	Claims paid	52		24	29	5	
	Total expenses	53		27	39	3	
	Increase (decrease) in funds in the financial year	54		24	49	5	
	Balance (51-52-53-54)	59		27	49	3	
Balance of all years' underwriting (39+49+59)		69					
Other attributed income and expenditure	Investment income receivable before deduction of tax	71					
	Other expenditure	72					
Transfer to (from) statement of other income and expenditure (69+71-72)		79					

Returns under Insurance Companies Legislation
General business: Analysis of premiums for direct insurance and facultative reinsurance business

Name of Company
Global business/UK branch business/Community branch business
Financial year ended
Accounting class

Company registration number	Global/UK/CIV	Period ended			Units	£000	Accounting class	For official use
		day	month	year				
F21					19			

	Gross		Reinsurance premiums payable		Net of reinsurance	
	Earned in previous financial years 1	Unearned at end of the financial year 2	Earned in previous financial years 3	Unearned at end of the financial year 4	Earned in previous financial years 5	Unearned at end of the financial year 6
Premiums receivable (less rebates and refunds) in the financial year						
in respect of risks accepted in previous financial years	11					
in respect of risks accepted in previous financial years	12					
in respect of risks accepted in the financial year	13					
in respect of risks accepted in the financial year for periods of less than 12 months	14					
commencing prior to the last 12 months of the financial year	15					
Month 1	16					
Month 2	17					
Month 3	18					
Month 4	19					
Month 5	20					
Month 6	21					
Month 7	22					

Note
- when there are more than twelve months in the financial year, the total amounts for the months before the last 12 months of the financial year are entered at lines 16 to 27, commencing with the first month at line 16;
- when there are less than 12 months in the financial year, amounts are entered for each month with the amounts for the last month of the financial year at line 27, with preceding months at lines 26, 25 etc.

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INSURANCE INDUSTRIAL ASSURANCE

Returns under Insurance Companies Legislation

Form 22

General business: Analysis of claims and expenses for direct insurance and facultative reinsurance business

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Accounting class

		Company registration number	Global/UK/CM	Period ended			Units	Accounting class	For official use
				day	month	year			
		F 22			19	£000			
		Amount brought forward from previous financial year	Amount payable/receivable in the financial year	Amount carried forward to next financial year	Amount attributable to the financial year				
		1	2	3	4				
Claims arising from incidents occurring in previous financial years	gross	11							
	recoverable from reinsurers	12							
	net (11-12)	13							
Claims arising from incidents occurring in the financial year (including claims reported in the reconciliation return on Form 33)	gross	14							
	recoverable from reinsurers	15							
	net (14-15)	16							
Expenses	expenses for settling claims arising from incidents occurring in previous financial years	21							
	expenses for settling claims arising from incidents occurring in the financial year (including claims reported in the reconciliation return on Form 33)	22							
	management expenses	23							
	commission payable	24							
	reinsurance commission receivable	25							
	expenses in respect of the financial year (22+23+24-25)	26							
	total (21+26)	29							
Amount included in line 13 attributable to	reported claims	31							
	claims incurred but not reported	32							
Amount included in line 16 attributable to	reported claims	41							
	claims incurred but not reported	42							

Notes

1 Any amounts included in 14.1, 15.1, 16.1 and 22.1 relate only to claims included in the reconciliation return on Form 33

2 The values in column 4 are calculated as follows:
for lines 11 to 22, values in columns 2 + 3 - 1
for lines 23 to 25, values in columns 1 + 2 - 3

Returns under Insurance Companies Legislation

Form 23

General business: Analysis of claims outstanding net of reinsurance recoveries for direct insurance and facultative reinsurance business

Name of Company

Global business/UK branch business /Community branch business

Financial year ended

F23		Company registration number	Global/UK/CM	Period ended			Units	For official use
				day	month	year	19	£000
Year of origin ended		Accounting class code	Claims outstanding (net) as at end of year of origin 1	Total claims paid (net) in all years since year of origin 2			Claims outstanding (net) at end of financial year 3	
month	Year							

Accounting class

19		11			
19		12			
19		13			
19		14			
19		15			
19		16			
19		17			
Previous years		18			
Reconciliation		19			
Total		29			

Accounting class

19		11			
19		12			
19		13			
19		14			
19		15			
19		16			
19		17			
Previous years		18			
Reconciliation		19			
Total		29			

Notes

- 1 All figures are net of reinsurance recoveries
- 2 Line 19 relates to claims reported in the reconciliation return on Form 33. These claims are not included in lines 11 to 18.
- 3 23.29.3=22.13.3 + 22.16.3

INSURANCE
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Instructions for Completion of Form 23

- 1 Line 11 shall be completed in respect of the financial year to which the return relates. Columns 1 and 3 will be the same as each other; column 2 will be blank.
- 2 Lines 12 to 17 shall be completed in respect of the preceding 6 years of origin beginning with the most recent. Years of origin commencing before 1 January 1981 shall not, however, be included.
- 3 Line 18 will show, in the first financial year for which this form is prepared, a figure in columns 1 and 3 which represents the total claims outstanding at the end of *that financial year* in respect of all years of origin commencing before 1 January 1981. Column 2 will be blank for the first year. In subsequent financial years the figure at column 1 will remain the same, subject to instruction 4, and column 2 will show the claims paid since the end of the first financial year. When there are no longer any claims outstanding in respect of any year of origin commencing prior to 1 January 1981 information in respect of those years shall cease to be included in line 18.
- 4 If any claims remain outstanding in respect of a year of origin commencing on or after 1 January 1981 for more than 6 years after the end of that year, information in respect of the year shall be added to any other information included in line 18 until such time as there are no longer any claims outstanding in respect of that year.

Returns under Insurance Companies Legislation

Form 24

General business (three year accounting): Analysis of premiums, claims, expenses and funds

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Accounting class

		Company registration number	Global/UK/CM	Period ended			Units	Accounting class	For official use
		F24		day	month	year	19	£000	
Amounts receivable or payable in the financial year		Insurance business incepted in:							
		All years prior to the second year preceding the financial year	Second year preceding the financial year	First year preceding the financial year	The financial year			Total (1 + 2 + 3 + 4)	
		1	2	3	4			5	
Premiums	receivable under direct insurance and facultative reinsurance contracts	11							
	receivable under reinsurance treaties accepted	12							
	payable to reinsurers to reinsure business of a kind shown at line 11	13							
	payable to retrocessionaires to reinsure business of a kind shown at line 12	14							
	amounts receivable net of retrocessions in respect of outstanding claims and loss portfolios	15							
	receivable net (11 - 12 - 13 - 14 - 15)	19							
Claims	paid under contracts of a kind shown at	line 11	21						
		line 12	22						
	recoverable from reinsurers under contracts of a kind shown at	line 13	23						
		line 14	24						
	paid net (21 - 22 - 23 - 24)	29							
Expenses	management expenses and expenses for settling claims	31							
	commission payable	32							
	reinsurance commission receivable	33							
	total (31 - 32 - 33)	39							
Funds	brought forward	41							
	carried forward	42							
	increase (decrease) in the financial year (42 - 41)	49							
Balance on each underwriting year (19 - 29 - 39 - 49)		51							

Note

The references to reinsurers and reinsurance in lines 13, 23 and 33 include retrocessionaires and retrocession.

**INSURANCE
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Instructions for Completion of Form 24

- 1 (i) When the form is used in respect of accounting classes 3, 4 or 5 premiums receivable shown at line 12 shall include unearned premium portfolios less premium portfolios, and outstanding claims portfolios less loss portfolios.
(ii) When the form is used in respect of accounting class 9 (non-proportional treaty reinsurance) premiums receivable shown at line 12 shall include unearned premium portfolios less premium portfolios, whilst outstanding claims portfolios less loss portfolios shall be part of the constituents of line 15.
- 2 In the case of accounting class 9 the figures in lines 12, 14 and 15 shall equal respectively those in lines 19, 29 and 61 of Form 26.
- 3 For business closed through the Institute of London Underwriters, amounts paid shall include amounts agreed for settlement but not yet paid.

Returns under Insurance Companies Legislation

Form 25

General business (three year accounting): Additional information relating to premiums

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Accounting class

Division of premiums between UK and overseas	Company registration number	Global/UK/CM	Period ended			Units	Accounting class	For official use
	F 25		day	month	year	£000		
Premiums on Form 24 attributed to						UK 6	Overseas 7	
Premiums	receivable under direct insurance and facultative reinsurance contracts					11		
	receivable under reinsurance treaties accepted					12		
	payable to reinsurers and retrocessionaires to reinsure business of a kind shown at line 11					13		
	payable to retrocessionaires to reinsure business of a kind shown at line 12					14		
	amounts receivable net of retrocessions in respect of outstanding claims and loss portfolios					15		
	receivable net (11 + 12 - 13 - 14 + 15)					19		

Note 25.19.6 + 25.19.7 = 24.19.5

Grossed-up premiums (only to be completed if values in the first part of the form are net of commission).

Grossed up values of entries shown at lines 11 to 14 on Form 24	Insurance business inception in:					Total (1 + 2 + 3 + 4)
	All years prior to the second year preceding the financial year 1	Second year preceding the financial year 2	First year preceding the financial year 3	The financial year 4		
receivable under direct insurance and facultative reinsurance contracts	71					
receivable under reinsurance treaties accepted	72					
payable to reinsurers and retrocessionaires to reinsure business of a kind shown at line 71	73					
payable to retrocessionaires to reinsure business of a kind shown at line 72	74					
Balance (71 + 72 - 73 - 74)	79					

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INSURANCE INDUSTRIAL ASSURANCE

Returns under Insurance Companies Legislation

Form 26

General business: Analysis of premiums for non-proportional treaty reinsurance business

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

	Company registration number	Global/UK/CM	Period ended			Units	Accounting class	For official use
			day	month	year			
	F26				19	£000		
Amounts receivable or payable in the financial year	In respect of treaties commencing in:					Total (1 + 2 + 3 + 4)		
	All years prior to the second year preceding the financial year 1	Second year preceding the financial year 2	First year preceding the financial year 3	The financial year 4	5			
Premiums receivable (other than to assume portfolios)	11							
Premiums receivable to assume unearned premium portfolios	12							
Premium portfolios payable to cedants	13							
Total premiums receivable (11 + 12 – 13)	19							
Premiums payable to retrocessionaires (other than to assume portfolios)	21							
Premiums payable to retrocessionaires to assume unearned premium portfolios	22							
Premium portfolios receivable from retrocessionaires	23							
Total premiums payable to retrocessionaires (21 + 22 – 23)	29							
Net premiums receivable (19–29)	31							
Amounts receivable to assume outstanding claims portfolios	41							
Loss portfolios payable to cedants	42							
Net amounts receivable from cedants in respect of outstanding claims and loss portfolios (41–42)	49							
Amounts payable to retrocessionaires to assume outstanding claims portfolios	51							
Loss portfolios receivable from retrocessionaires	52							
Net amounts payable to retrocessionaires in respect of outstanding claims and loss portfolios (51–52)	59							
Amounts receivable net of retrocessions in respect of outstanding claims and loss portfolios (49–59)	61							

Note

The amounts shown in lines 19, 29 and 61 are carried forward to Form 24

Returns under Insurance Companies Legislation

Form 27

General business: Revenue analysis of proportional treaty reinsurance business

Name of Company

Global business/UK branch business / Community branch business

Financial year ended

Total/Category (to be specified)

	Company registration number	Global/UK/CM	Period ended			Units	Accounting class	For official use
			day	month	year			
	F27				19	£000	10	
Amounts receivable or payable in the financial year	Insurance business written under treaties					Total (1+2)	Source	
	closed in the financial year ('closed treaty year')		to be closed in the next financial year ('open treaty year')		Form Line			
			1	2			3	
Premiums	receivable under reinsurance treaties accepted	12					28 . 19	
	payable to retrocessionaires to reinsure business of a kind shown at line 12	14					28 . 29	
	amounts receivable net of retrocessions in respect of outstanding claims and loss portfolios	15					28 . 61	
	receivable net (12-14+15)	19						
Claims	paid under contracts of a kind shown at line 12	22						
	recoverable from retrocessionaires under contracts of a kind shown at line 14	24						
	paid net (22-24)	29						
Expenses	management expenses and expenses for settling claims	31						
	commission payable	32						
	reinsurance commission receivable from retrocessionaires	33						
	total (31+32-33)	39						
Funds and other amounts set aside for unearned premiums and outstanding claims	fund brought forward from previous financial year	41						
	unearned premiums carried over to 'open treaty year'	42						
	unearned premiums brought forward from 'closed treaty year'	43					27 . 42	
	claims outstanding carried over to 'open treaty year'	44						
	claims outstanding brought forward from 'closed treaty year'	45					27 . 44	
	fund carried forward to next financial year	46						
increase (decrease) in the financial year (42+44+46-41-43-45)	49							
Balance on each treaty year (19-29-39-49)	51							

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**INSURANCE
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Returns under Insurance Companies Legislation

Form 28

General business: Analysis of premiums for proportional treaty reinsurance business

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

	Company registration number	Period ended			Units	Accounting class	For official use
		Global/UK/CM	day	month year			
	F28			19	£000	10	
Amounts receivable or payable in the financial year		Insurance business written under treaties			Total (1+2)		
		closed in the financial year ('closed treaty year')	to be closed in the next financial year ('open treaty year')				
		1	2			3	
Premiums receivable (other than to assume portfolios)	11						
Premiums receivable to assume unearned premium portfolios	12						
Premium portfolios payable to cedants	13						
Total premiums receivable (11 + 12 - 13)	19						
Premiums payable to retrocessionaires (other than to assume portfolios)	21						
Premiums payable to retrocessionaires to assume unearned premium portfolios	22						
Premium portfolios receivable from retrocessionaires	23						
Total premiums payable to retrocessionaires (21 + 22 - 23)	29						
Net premiums receivable (19-29)	31						

Amounts receivable to assume outstanding claims portfolios	41						
Loss portfolios payable to cedants	42						
Net amounts receivable from cedants in respect of outstanding claims and loss portfolios (41-42)	49						
Amounts payable to retrocessionaires to assume outstanding claims portfolios	51						
Loss portfolios receivable from retrocessionaires	52						
Net amounts payable to retrocessionaires in respect of outstanding claims and loss portfolios (51-52)	59						
Amounts receivable net of retrocessions in respect of outstanding claims and loss portfolios (49-59)	61						

Division of premiums between UK and overseas

		Premiums on Form 27 attributed to	UK 4	Overseas 5
Premiums	receivable under reinsurance treaties accepted	72		
	payable to retrocessionaires to reinsure business of a kind shown at line 72	74		
	amounts receivable net of retrocessions in respect of outstanding claims and loss portfolios	75		
	receivable net (72-74 + 75)	79		

Note 28.79.4 + 28.79.5 = 27.19.3

Returns under Insurance Companies Legislation

Form 29

General business (reinsurance accepted): Analysis in respect of non-proportional and certain proportional general business treaty reinsurance

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Category

Currency

Amounts receivable or payable in the financial year in respect of treaties accepted in			Each year before the financial year	The financial year	Total
Premiums	Receivable under reinsurance treaties accepted	1			
	Payable to retrocessionaires	2			
	Amounts receivable net of retrocessions in respect of outstanding claims and loss portfolios	3			
	Receivable net (1-2 + 3)	4			
Claims	Paid under reinsurance treaties accepted	5			
	Recoverable from retrocessionaires	6			
	Paid net (5 - 6)	7			
Expenses	Expenses and commissions (net)	8			
Funds	Brought forward	9			
	Carried forward	10			
	Increase (decrease) in the financial year (10 - 9)	11			
	Balance on each underwriting year (4 - 7 - 8 - 11)	12			

Note

Information is to be shown separately in respect of each year before the financial year (but see Regulation 21(8)).

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Form 30

Returns under Insurance Companies Legislation

General business: **Summary of reinsurance business ceded**

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Accounting class/ risk group	Type of reinsurance cover	Period covered (where different from the ceding company's financial year)	Ceding company's maximum net retention or probable maximum loss in respect of		Reinsurers' potential liability under contract	Cessions to			Remarks	
			any one risk	any one event		Reinsurers permitted to carry on business in the UK		Other reinsurers		
						Number of reinsurers	Premiums payable £000			Number of reinsurers
1	2	3	4 £000	5 £000	6 £000	7	8 £000	9	10 £000	11

Reconciliation with Forms 21, 24 and 27

£000

Aggregate of columns 8 and 10 above

Total reinsurance premiums payable
shown on Forms 21, 24 and 27

Balance

Instructions for Completion of Form 30

- 1 The form shall show all reinsurance arrangements for which premiums were payable in respect of the financial year to which the return relates. Separate entries shall be made for each accounting class (ie of business accepted). Where reinsurance has been arranged separately for risk groups within an accounting class, separate entries shall be made for the risk groups.
- 2 For each accounting class or risk group, the types of reinsurance cover obtained shall be entered in column 2. The entries here shall specify whether the reinsurance cover has been arranged on a facultative or treaty basis, and, where it is the latter, shall also state the nature of the treaty eg quota share.
- 3 The information given in column 6 shall include, in the case of surplus treaties, the number of lines accepted by the reinsurer. For treaties providing excess of loss cover, it shall include the layers of the treaty, ie the level at which each layer takes effect, and also the reinsurers' potential liability under it.
- 4 The combined aggregate of amounts entered in columns 8 and 10 shall be reconciled in total with the reinsurance premiums payable shown in Forms 21, 24 and 27.
- 5 In the case of facultative reinsurance cover, —
 - (a) only one entry is required for each accounting class; the word "facultative" shall be recorded in column 2, the word "variable" may be used in column 3, and columns 4, 5 and 6 need not be completed;
 - (b) columns 7 to 10 need only be completed for a class if the total number of facultative reinsurers for that class is ten or less or if the total premiums payable for facultative cover for that class are more than 30 per cent of the gross premiums receivable for the class; if these columns are not separately completed for a class the reason shall be stated together with the total amount of facultative premiums ceded for the class; and
 - (c) column 11 shall include a note of the number of reinsurers who are not permitted to carry on business in the UK and who each receive premiums in respect of facultative cover which amount to more than 5 per cent of the gross premiums receivable for the class.
- 6 Remarks in column 11 shall include details of reinsurance ceded to related companies.

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**INSURANCE
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Returns under Insurance Companies Legislation

Form 31

General business: Analysis of exposure to risk measured by premiums

Name of Company

Financial year ended

Country

Currency

Accounting class

	Company registration number	Period ended			Monetary units	Country	Accounting class	For official use
		day	month	year				
	F31			19				
Gross premiums receivable (less rebates and refunds) on direct insurance and facultative reinsurance business		Additional exposure attributable to previous financial years 1	Exposure in the financial year 2	Exposure carried forward to following financial years 3	Total gross premiums (1+2+3) 4	Total gross premiums expressed in sterling (£000) 5		

Risk group								
in previous financial years		11						
in the financial year in respect of risks inception in	previous financial years	12						
	the financial year	13						
Total (11+12+13)		19						

Risk group								
in previous financial years		11						
in the financial year in respect of risks inception in	previous financial years	12						
	the financial year	13						
Total (11+12+13)		19						

Risk group								
in previous financial years		11						
in the financial year in respect of risks inception in	previous financial years	12						
	the financial year	13						
Total (11+12+13)		19						

Risk group								
in previous financial years		11						
in the financial year in respect of risks inception in	previous financial years	12						
	the financial year	13						
Total (11+12+13)		19						

Instructions for Completion of Form 31

1 For business other than proportional and non-proportional treaty reinsurance business, and business to be included in Forms 34 and 35 (that is, accounted for on a three-year basis) forms shall be completed as indicated below:

		Coverage	Country code
<i>(a)</i>	for each country not exempted by Regulation 12(1)	one or more forms for each accounting class with a section completed for each risk group carried on in the country	the code for the country
<i>(b)</i>	for UK business not returned under <i>(a)</i>	box 19.5 only of one section of one form for each accounting class	AZ
<i>(c)</i>	for all other business not returned under <i>(a)</i> or <i>(b)</i>	box 19.5 only of one section of one form for each accounting class	YZ

2 If the amounts shown at 31.12.4 and 31.13.4 are in sterling then the same amounts shall be shown also at 31.12.5 and 31.13.5 respectively.

3 The aggregate of the amounts shown at 31.19.5 for all forms within an accounting class shall be the amount shown at 21.41.1 for that accounting class.

**INSURANCE
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Returns under Insurance Companies Legislation

Form 32

General business: Analysis of exposure to risk measured by vehicle years

Name of Company

Financial year ended

Country

Accounting class Motor vehicle

	Company registration number	Period ended			Country	Accounting class	For official use
		day	month	year			
	F32			19		2	
Number of units of exposure in vehicle years corresponding to premiums recorded on Form 31		Additional exposure attributable to previous financial years 1	Exposure in the financial year 2	Exposure carried forward to following financial years 3	Total vehicle years (1+2+3) 4	Claim frequency in the financial year % 5	

Risk group

in previous financial years	11					
in the financial year in respect of risks incepted in the financial year	12					
in the financial year in respect of risks incepted in the financial year	13					
Total for columns 1 to 4 (11 + 12 + 13)	19					

Risk group

in previous financial years	11					
in the financial year in respect of risks incepted in the financial year	12					
in the financial year in respect of risks incepted in the financial year	13					
Total for columns 1 to 4 (11 + 12 + 13)	19					

Risk group

in previous financial years	11					
in the financial year in respect of risks incepted in the financial year	12					
in the financial year in respect of risks incepted in the financial year	13					
Total for columns 1 to 4 (11 + 12 + 13)	19					

Risk group

in previous financial years	11					
in the financial year in respect of risks incepted in the financial year	12					
in the financial year in respect of risks incepted in the financial year	13					
Total for columns 1 to 4 (11 + 12 + 13)	19					

Note
The figure at 32.19.5 is the number of claims (shown at 33.19.1 for the corresponding year of origin) as a percentage of the number of vehicle years (32.19.2)

Instructions for Completion of Form 32

- 1 Form 32 shall be completed only in respect of accounting class 2 (Motor Vehicle).
- 2 Forms shall be completed as required under Instruction 1(a) to Form 31.
- 3 The number of vehicle years insured under any insurance contract is the product of the period (expressed in years and parts of years) for which the contract is in force and the number of vehicles insured under the contract; (eg two vehicles insured for six months and one vehicle insured for one year each to be regarded as one vehicle year). Figures entered on the form are to be rounded to the nearest vehicle year only after aggregating the component figures.
- 4 Figures at 32.19.5 shall be expressed as percentages to one place of decimals.

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**INSURANCE
INDUSTRIAL ASSURANCE**

Returns under Insurance Companies Legislation

Form 33

General business: Analysis of claims by number and cost

Name of Company

Financial year ended

Country

Currency

Accounting class

Risk group

		Company registration number		Period ended			Monetary units		Accounting class		For official use	
		F33		day	month	year	19					
For direct insurance and facultative reinsurance business		Number of claims		Amounts of payments made in the financial year			Amounts of payments made in previous financial years relating to claims in column 1		Estimates of payments remaining to be made		Total gross amount paid and outstanding (2+3+4)	
Claims attributable to year of origin ended		month year		19								
Claims closed in the financial year	at no cost (other than reopened claims)	11										
	at some cost (other than reopened claims)	12										
	reopened claims	13										
Claims outstanding at the end of the financial year	reported (other than reopened claims)	14										
	incurred but not reported (IBNR)	15										
	reopened claims	16										
Claims closed in previous financial years (excluding those reopened claims shown at lines 13 and 16)		17										
Total claims attributable to the year of origin (11 to 17)		19										
Line 19 expressed in sterling (£000)		29										

Year of origin ended		month year		19								
Claims closed in the financial year	at no cost (other than reopened claims)	11										
	at some cost (other than reopened claims)	12										
	reopened claims	13										
Claims outstanding at the end of the financial year	reported (other than reopened claims)	14										
	incurred but not reported (IBNR)	15										
	reopened claims	16										
Claims closed in previous financial years (excluding those reopened claims shown at lines 13 and 16)		17										
Total claims attributable to the year of origin (11 to 17)		19										
Line 19 expressed in sterling (£000)		29										

Instructions for Completion of Form 33

1 For business other than proportional and non-proportional treaty reinsurance business, and business to be included in Forms 34 and 35 (that is, accounted for on a three-year basis), forms shall be completed as indicated below:

		Coverage	Country code	Year of origin	
				Month	Year
(a)	for each country not exempted by Regulation 12(1)	one or more forms for each risk group carried on in the country, with a section completed for each year of origin	the code for the country	the last month (eg 6)	the year of the last month (eg 1981)
(b)	for UK business not returned under (a)	one form for each accounting class with boxes 29.2 and 29.4 of one section completed for claims originating in all years of origin	AZ	XX	19XX
(c)	for all other business not returned under (a) or (b)	one form for each accounting class with boxes 29.2 and 29.4 of one section completed for claims originating in all years of origin	YZ	XX	19XX

2 Under 1(a) a form is required for a year of origin commencing before 1 January 1981 only if that year of origin was required to be reported under the Insurance Companies (Accounts and Forms) Regulations 1968.

3 Lines 13 and 16 need not be completed for a year of origin commencing before 1 January 1981. If they are not completed, reopened claims shall be included in lines 11, 12 and 14 as appropriate.

4 If the amounts shown at 33.19.2 and 33.19.4 are in sterling then the same amounts shall be shown also at 33.29.2 and 33.29.4 respectively.

5 Expenses incurred by the company for legal, medical, surveying, engineering and other technical services which are directly attributable to individual claims shall be included as part of the cost of that claim. General administrative expenses are not to be included as part of the cost of the claim and if only such expenses are incurred the claim is to be regarded as settled at no cost.

6 For the purpose of line 11 a claim is *not* to be regarded as settled at no cost (before deduction of reinsurance recoveries) if any cost of a kind described in the first sentence of Instruction 5 has been incurred by the company specifically in connection with consideration of the claim.

7 A reopened claim is a claim which had been closed in a previous financial year and has been reopened in a different financial year.

8 The aggregate of the amounts shown at 33.29.2 for all forms within an accounting class shall be the sum of the amounts shown at 22.11.2 and 22.14.2 for that accounting class. The aggregate of the amounts shown at 33.29.4 for all forms within an accounting class shall be the sum of the amounts shown at 22.11.3 and 22.14.3 for that accounting class.

INSURANCE
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Form 34

Returns under Insurance Companies Legislation

General business (three year accounting): Analysis of premiums

Name of Company

Financial year ended

Country

Currency

Gross premiums receivable (less rebates and refunds) on direct insurance and facultative reinsurance business in the financial year for		Insurance business inception in:					Total (1+2+3+4)	Column 5 expressed in sterling (£000)
		Accounting class code	All years prior to the second year preceding the financial year 1	Second year preceding the financial year 2	First year preceding the financial year 3	The financial year 4		
C			11				5	6
RG								
C			11					
RG								
C			11					
RG								
C			11					
RG								
C			11					
RG								
C			11					
RG								

F34

Company registration number

Period ended day month year

19

Monetary units

Country

For official use

Instructions for Completion of Form 34

- 1 For business other than proportional and non-proportional treaty reinsurance business, and business to be included in Forms 31 and 33 (that is, accounted for on a one-year basis), forms shall be completed as indicated below:

		Coverage	Country code
(a)	for each country not exempted by Regulation 12(1)	one section of a form for each risk group carried on in the country	the code for the country
(b)	for UK business not returned under (a)	one section of a form for each accounting class	AZ
(c)	for all other business not returned under (a) or (b)	one section of a form for each accounting class	YZ

- 2 If the amount shown at 34.11.5 is in sterling then the same amount shall be shown also at 34.11.6.
- 3 The aggregate of the amounts shown at 34.11.6 for all sections relating to one accounting class shall be the amount shown at 24.11.5 for that accounting class.

Instructions for Completion of Form 35

1 For business other than proportional and non-proportional treaty reinsurance business, and business to be included in Forms 31 and 33 (that is, accounted for on a one-year basis), forms shall be completed as indicated below:

		Coverage		Country Code	Year of origin	
					Month	Year
(a)	for each country not exempted by Regulation 12(1)	one form for each risk group with one line for each year of origin		the code for the country	the last month (eg 6)	the year of the last month (eg 1981)
(b)	for UK business not returned under (a)	one form for each accounting class (with column 4 only completed)	(i) one line for each of the years of origin identified in columns 2, 3 and 4 on the corresponding Form 34	AZ	the last month	the year of the last month
			(ii) one line for the years of origin identified in column 1 on the corresponding Form 34	AZ	PR	19
(c)	for all other business not returned under (a) or (b)	one form for each accounting class (with column 4 only completed)	as (b) (i)	YZ	the last month	the year of the last month
			as (b) (ii)	YZ	PR	19

- 2 (i) Under 1(a) a line is required for a year of origin commencing before 1 January 1981 only if that year of origin was required to be reported under the Insurance Companies (Accounts and Forms) Regulations 1968.
- (ii) For marine hull and aviation hull business, lines on forms completed under 1(a) relating to years of origin commencing before 1 January 1981 may be limited to payments on major claims if the returns were so prepared in previous financial years.
- (iii) Forms completed under 1(b) and (c) shall include any payments not reported under 1(a) because of the operation of instruction 2(ii).
- 3 The amounts shown in column 2 shall be in respect of risks for which premiums are required to be shown in Form 34.
- 4 If the amounts shown at 35.11.1 and 35.11.2 are in sterling then the same amounts shall be shown also at 35.11.4 and 35.11.5 respectively.
- 5 Expenses incurred by the company for legal, medical, surveying, engineering and other technical services which are directly attributable to individual claims shall be included as part of the cost of that claim. General administrative expenses are not to be included as part of the cost of the claim and if only such expenses are incurred the claim is to be regarded as settled at no cost.
- 6 The aggregate of the amounts shown at 35.11.4 for all forms relating to one accounting class shall be the amount shown at 24.21.5 for that accounting class.

Form 37

Returns under Insurance Companies Legislation

General business: Analysis of gross premiums receivable through participation in Community co-insurance operations

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Country of Risk	Country Code	Gross premiums receivable (less rebates and refunds) on Community co-insurance operations in the financial year						For official use
		Gross premiums receivable in accounting class:		Property damage		General liability		
		Aircraft (accounting class 3)	Ships (accounting class 4) and Goods in transit (accounting class 5) (see note 2)	Property damage (accounting class 6) (see note 2)	General liability (accounting class 7)	Pecuniary loss (accounting class 8)	TOTAL (1 + 2 + 3 + 4 + 5)	
		1	2	3	4	5	6	
	11							
	12							
	13							
	14							
	15							
	16							
	17							
	18							
	19							
	20							
	21							
	22							
	23							
Total	29							

Notes:

- 1 The figures in this form relate only to participation in Community co-insurance operations from a Head Office, Branch or Agency in the United Kingdom where the risk is situated in another member State.
- 2 Any business of accounting class 6 which consists of the insurance of railway rolling stock shall be included in column 2 and not column 3.

Regulations 8 and 15

SCHEDULE 3

LONG TERM BUSINESS: REVENUE ACCOUNT AND ADDITIONAL INFORMATION
(Forms 40 to 51)

1. Information on long term business is to be given in the form set out in Forms 40 to 51.

2. All amounts shall be shown in sterling. In Forms 40 to 42 amounts shall be shown to the nearer £1,000. In Forms 43 to 51 amounts may be shown to the nearer £1,000. Amounts in currencies other than sterling should be converted in accordance with the provisions of paragraphs 4 and 5 of Schedule 1 above.

3. For the purposes of this Schedule a contract shall be regarded as a UK contract if, in the case of direct insurance or facultative reinsurance, the contract was made in the United Kingdom or if, in the case of a reinsurance treaty, the cedant was a company having its head office in the United Kingdom or was a member of Lloyd's; and "overseas contracts" shall be construed accordingly.

4.—(1) Where a company maintains more than one long term business fund, a statement shall be annexed to Form 40 giving the principles and methods applied to apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between the different funds.

(2) The box marked "No of Fund/Summary" in Forms 40, 41 and 42 shall be completed by the inclusion of a discrete number to identify each fund or, if the Form relates to a part of the fund, the fund of which it is part. Where there is only one fund for ordinary long-term insurance business or for industrial assurance business, as the case may be, the number "1" shall be shown in the box marked "No of Fund/Summary". Where the Form is a summary Form, the number "99" shall be inserted in that box. The box marked "No. of part of fund" shall show a discrete number for each part of a fund or the figure "0" if the Form is a statement of the whole fund.

5. Where arrangements have been made for the provision of management services to a company by another company (whether an insurance company or not)—

- (a) the first mentioned company shall annex to Form 40 relating to the financial year of the company during any part of which those arrangements are in force, and
- (b) the other company (being an insurance company) shall annex to Form 40 relating to the financial year of that insurance company during any part of which those arrangements are in force,

a statement that the arrangements have been so in force in the financial year and naming the parties to them.

6. Forms of return as set out in Forms 41 and 42 are to be completed separately in respect of each fund in respect of which a separate revenue account is required to be prepared in Form 40.

7. Information is to be given in the form set out in Form 43 for all non-group contracts and is to be gross of reinsurance ceded. Separate statements are to be given for United Kingdom business and overseas business and in each case for non-linked contracts and linked contracts. For group contracts only the number of contracts in force at the end of the year and the estimated number of persons covered thereunder are to be given in a note to the appropriate statement.

8.—(1) Separate statements are to be given in the form set out in Form 44 for United Kingdom business and overseas business and the information on each statement is to be totalled except for columns 4 and 7. The amounts are to be given gross of reinsurance ceded.

(2) The information is to be analysed and sub-totalled within each type of business in the sequence specified below—

- (i) life assurance business
- (ii) general annuity business
- (iii) pension business
- (iv) permanent health business
- (v) capital redemption business.

(3) The information is to be further analysed and sub-totalled within each basis of participation in profits in the sequence specified below—

- (i) non-linked contracts: with participation in profits
- (ii) non-linked contracts: without participation in profits
- (iii) linked contracts.

(4) Within each sub-division required under sub-paragraphs (2) and (3) of this paragraph the appropriate types of insurance from the following list are to be shown separately—

- (i) whole life assurance
- (ii) endowment assurance
- (iii) pure endowment assurance
- (iv) term assurance
- (v) other assurance (to be specified)
- (vi) deferred annuity
- (vii) annuity in payment
- (viii) other annuity (to be specified)
- (ix) group pension
- (x) group life
- (xi) other group (to be specified)
- (xii) permanent health insurance
- (xiii) capital redemption assurance
- (xiv) annuity certain.

(5) In the case of group contracts the information to be given is to relate only to new contracts and is to be exclusive of increments under existing contracts.

9. Separate statements of the expected income from non-linked assets are to be given in the forms set out in Forms 45 and 46 in respect of each fund or group of funds for which separate assets are appropriated. If a company carrying on both industrial assurance business and ordinary long-term insurance business does not separately identify the assets representing the industrial assurance business, Forms 45 and 46 shall be prepared in respect of all the company's long term business.

10. Forms of return as set out in Forms 47 and 48 are to be completed in respect of assets matching liabilities in respect of property linked benefits other than holdings in internal linked funds. The information in Form 48 is to be sub-divided and totalled according to the names of the categories of linked contract under which the liabilities in respect of property linked benefits are matched by such assets. The basis on which the assets have been valued is to be stated in a note to the Forms.

11. Forms of return as set out in Forms 49, 50 and 51 are to be completed in respect of internal linked funds operated by the company. The basis on which the assets have been valued and the total amount of unrealised capital gain or loss relating to each internal linked fund are to be given in a separate statement.

Returns under Insurance Companies Legislation

Long Term business: Revenue account

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Name and number of Fund/Summary

F40	Company registration number	Global/UK/CM	Period ended			Units	OB/IB	No. of Fund/Summary	No. of part of Fund	For official use	
			day	month	year						
					19	£000					
Items to be shown net of reinsurance ceded							The financial year	Previous financial year			
							1	2			
Premiums receivable (less rebates and refunds)							1				
Investment income receivable before deduction of tax							2				
Increase (decrease) in the value of non-linked assets brought into account							3				
Increase (decrease) in the value of linked assets							4				
Other income (particulars to be specified)							5				
Total income (1 to 5)							6				
Claims payable							7				
Expenses payable							8				
Interest payable before deduction of tax							9				
Taxation							10				
Other expenditure (particulars to be specified)							11				
Transfer to (from) statement of other income and expenditure							12				
Total expenditure (7 to 12)							13				
Increase (decrease) in fund in financial year (6–13)							14				
Fund brought forward							15				
Fund carried forward (14 + 15)							16				

INSURANCE
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Instructions for Completion of Form 40

- 1 The entry at 40.1.1 shall be equal to 41.9.3,
the entry at 40.7.1 shall be equal to 42.21.3 and
the entry at 40.8.1 shall be equal to 41.16.3.

- 2 Where a company decides to allocate to the long term business the whole or any part of investment income and/or net capital gains arising from assets not attributable to its long term business, the amounts in question shall be shown as a transfer in line 12.

- 3 Where a transfer is made to the statement of other income and expenditure, the entry at 40.12.1 will show amounts which have been included in line 23 of Form 58. Transfers from or to other funds shall be included in line 5 or 11, with transfers to reserves associated with a transfer of contracts from one fund to another distinguished from other transfers.

Returns under Insurance Companies Legislation

Form 41

Long Term business: Analysis of premiums and expenses

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Name and number of Fund/Summary

F41	Company registration number	Global/UK/CM	Period ended			Units	OB/IB	No of Fund/Summary	No of part of Fund	For official use
			day	month	year					
					19	£000				
						Gross	Payable to or recoverable from reinsurers	Net of reinsurance (1-2)		
						1	2	3		
Premiums receivable (less rebates and refunds) in the financial year	life assurance contracts	single premium	1							
		regular premiums	2							
	general annuity contracts	single premium	3							
		regular premiums	4							
	pension business contracts	single premium	5							
		regular premiums	6							
	permanent health contracts		7							
	capital redemption contracts		8							
	total premiums (1 to 8)		9							
	total premiums at line 9 attributable to	UK contracts	10							
		Overseas contracts	11							
Expenses payable in the financial year	commission payable in connection with acquisition of business		12							
	other commission payable		13							
	management expenses in connection with acquisition of business		14							
	other management expenses		15							
	total expenses (12 to 15)		16							
	total expenses at line 16 attributable to	UK contracts	17							
		Overseas contracts	18							

**INSURANCE
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Returns under Insurance Companies Legislation

Form 42

Long Term business: Analysis of claims

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Name and number of Fund/Summary

F42	Company registration number	Global/UK/CM	Period ended			Units	OB/IB	No. of Fund/Summary	No. of part of Fund	For official use
			day	month	year					
					19	£000				
Claims payable in the financial year							Gross	Recoverable from re-insurers	Net of re-insurance (1-2)	
							1	2	3	
Life assurance contracts	on death					1				
	on maturity					2				
	on surrender or partial surrender					3				
	total life assurance claims (1 to 3)					4				
General annuity contracts	on death					5				
	by way of lump sums on maturity					6				
	by way of periodical payments					7				
	on surrender or partial surrender					8				
total general annuity claims (5 to 8)					9					
Pension business	on death					10				
	by way of lump sums on maturity					11				
	by way of periodical payments					12				
	on surrender or partial surrender					13				
total pension business claims (10 to 13)					14					
Permanent health contracts	by way of lump sums					15				
	by way of periodical payments					16				
	total permanent health claims (15 + 16)					17				
Capital redemption contracts	by way of lump sums					18				
	by way of periodical payments					19				
	total capital redemption claims (18 + 19)					20				
Total claims (4 + 9 + 14 + 17 + 20)						21				
Total claims at line 21 attributable to	UK contracts					22				
	Overseas contracts					23				

Instructions for Completion of Form 42

In the case of industrial assurance, claims payable on survival in respect of periodical endowment benefits shall be shown separately from other claims payable on the maturity of contracts of industrial assurance.

Form 43

Returns under Insurance Companies Legislation
Long Term business: Summary of changes in ordinary long term business
 Name of Company
 United Kingdom/Overseas
 Global business/UK branch business/Community branch business
 Non-linked/Linked
 Financial year ended

	Life assurance		General annuity		Pension business		Permanent health		Capital redemption	
	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums
In force at beginning of year	1	2	3	4	5	6	7	8	9	10
New business										
Net transfers and other alterations 'on'										
Total 'on' (2 + 3)										
Deaths										
Maturities										
Surrenders										
Forfeitures										
Conversions to paid-up policies for reduced benefits										
Net transfers, expiries and other alterations 'off'										
Total 'off' (5 to 10)										
In force at end of year (1 + 4 - 11)										

Instruction The figures for annual premiums shall not include any recurrent single premiums

**INSURANCE
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Form 43A

Returns under Insurance Companies Legislation

Long Term business: Summary of changes in industrial assurance business

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

	Paying		Paid-up
	No of policies	Annual premiums	No of policies
In force at beginning of year			
Taken up during year - Weekly business			—
Monthly business			—
Converted to paid-up policies during year	—	—	
Total "on"			
Discontinued during year by —			
(a) Deaths		—	
(b) Maturities		—	
(c) Surrenders for cash		—	
(d) Terminations by return of premiums		—	
(e) Conversions to paid-up policies for full sums assured		—	—
(f) Conversions to paid-up policies for reduced sums assured		—	—
(g) Forfeitures without grant of paid-up policy or cash surrender		—	—
Total "off"		—	
In force at end of year			

Notes: (1) Separate forms shall be prepared in respect of business carried on in the United Kingdom and in Northern Ireland, but information about the numbers of policies in force at the beginning and at the end of the year need not be given in respect of business carried on in Northern Ireland.

(2) Policies discontinued by return of premiums on death of assured shall be included in class (a) and not in class (d).

(3) Paid-up policies which are written off shall be included in class (a) in the case of whole life policies and class (b) in the case of endowments.

Returns under Insurance Companies Legislation

Form 44

Long Term business: Analysis of new ordinary long term business

Name of Company

United Kingdom/Overseas

Global business/UK branch business/Community branch business

Financial year ended

Type of insurance 1	Single premium contracts			Regular premium contracts		
	No. of contracts 2	Premiums 3	Sums assured, annuities per annum or other measure of benefits 4	No. of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measure of benefits 7

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Returns under Insurance Companies Legislation

Form 44A

Long Term business: Analysis of new industrial assurance business

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

	Whole life (including joint life)	Endowment assurance (including joint life)	(See note)	Other tables
	1	2	3	4
<i>Number of New Assurances</i>				
Weekly business				
Monthly business				
<i>Sums Assured</i>	£	£	£	£
Weekly business				
Monthly business				
<i>Annual Premiums</i>	£	£	£	£
Weekly business				
Monthly business				

Notes

- (1) Separate forms shall be prepared in respect of business carried on in the United Kingdom and in Northern Ireland.
- (2) If any table other than those shown in columns 1 and 2 (eg a table providing for recurring payments) is of significant amount details shall be given in column 3 with an appropriate heading. In the case of a table including a recurring payment, the sum assured on death before the date of the first recurring payment shall be shown against 'Sums Assured' above and the amount of the recurring payment shall be shown separately in brackets.

Returns under Insurance Companies Legislation

Form 45

Long Term business: Expected income from admissible non-linked assets

Name of Company

Global business/UK branch business/Community branch business

OB/IB

Financial year ended

Fund

Type of asset		Value of admissible assets as shown on Form 13	Expected income from admissible assets	Yield %
		1	2	3
Land		1		
Fixed interest securities	issued by, or guaranteed by, any government or public authority	2		
	other	3		
Variable interest securities excluding equity shares	issued by, or guaranteed by, any government or public authority except those included at line 5	4		
	issued by, or guaranteed by, any government or public authority where the capital value or interest is determined by an index of prices	5		
	other	6		
Equity shares		7		
Debts fully secured on land	due more than 12 months after the end of the financial year	8		
	due in 12 months or less after the end of the financial year	9		
All other assets	producing income	10		
	not producing income	11		
Total		12		

Instructions

1. Where Form 13 is for the same fund or group of funds:—

The entry at 45.1.1 shall be equal to 13.11.1
the entry at 45.2.1 shall be equal to 13.12.1
the entry at 45.3.1 shall be equal to 13.13.1 + 13.14.1 + 13.15.1
the entry at 45.4.1 shall be equal to 13.16.1
the entry at 45.5.1 shall be equal to 13.17.1
the entry at 45.6.1 shall be equal to 13.18.1

the entry at 45.7.1 shall be equal to 13.21.1 + 13.22.1 + 13.23.1
the entry at 45.8.1 shall be equal to 13.61.1 + part of 13.64.1
the entry at 45.9.1 shall be equal to 13.62.1 + part of 13.66.1 and
the entry at 45.12.1 shall be equal to 13.93.1 – (13.85.1 + 13.86.1).

2. The expected income is to be given as the amounts before deduction of tax which would be received in the next financial year on the assumptions that the assets will be held throughout that year and that the factors which affect income will remain unchanged but account shall be taken of any changes in those factors known to have occurred by the valuation date (in particular, changes of the type (a), (b), (c) or (d) denoted in Regulation 59(5) of the Insurance Companies Regulations 1981). The figures shown in this Form shall be those determined before any adjustments considered necessary because of Regulation 59(6).
3. Where a particular asset is required to be taken into account only to a specified extent by the application of the admissibility limits, the expected income from that asset shall be included only to the same extent.
4. The treatment of the expected income from any asset where the payment of interest is in default and the amount of interest involved shall be stated.
5. The entries at 45.2.3 and 45.3.3 shall be equal to 46.9.4 and 46.18.4 respectively; the yields to be inserted in column 3 for other categories of asset shall be the running yields. The entry at 45.12.3 shall be the weighted average of the yields in column 3, where the weight given to each asset is the value of that asset applicable for entry into column 1; assets not producing income shall be included in the calculation.

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Returns under Insurance Companies Legislation

Form 46

Long Term business: Analysis of admissible non-linked fixed interest securities

Name of Company

Global business/UK branch business/Community branch business

OB/IB

Financial year ended

Fund

Redemption period in years		Value of admissible assets as shown on Form 13 1	Expected income from admissible assets 2	Amount payable on redemption 3	Gross redemption yield % 4
Issued or guaranteed by any government or Public authority	one year or less	1			
	more than one year but not more than five years	2			
	more than five years but not more than ten years	3			
	more than ten years but not more than fifteen years	4			
	more than fifteen years but not more than twenty years	5			
	more than twenty years but not more than twenty five years	6			
	more than twenty five years	7			
	irredeemable	8			
	total (1 to 8)	9			
Other	one year or less	10			
	more than one year but not more than five years	11			
	more than five years but not more than ten years	12			
	more than ten years but not more than fifteen years	13			
	more than fifteen years but not more than twenty years	14			
	more than twenty years but not more than twenty five years	15			
	more than twenty five years	16			
	irredeemable	17			
	total (10 to 17)	18			

Instructions

- 1 The gross redemption yield for each asset shall be calculated as in Regulation 59(3) and (4) of the Insurance Companies Regulations 1981, leaving out of account any adjustment considered necessary because of Regulation 59(6). Where a number of assets with different gross redemption yields are held, the weighted average gross redemption yield shall be calculated using as weights the value of the asset applicable for entry into column 1.
- 2 Where securities may be redeemed over a period at the option of the guarantor or issuer, they shall be classified on the assumption that they will be redeemed at the latest possible date or, if it is assumed that they will be redeemed at any earlier date, a note shall be provided explaining what assumption has been made.
- 3 46.9.1, 46.9.2, 46.18.1 and 46.18.2 shall be equal to the values at 45.2.1, 45.2.2, 45.3.1 and 45.3.2 respectively.
- 4 The entries at 46.9.4 and 46.18.4 shall be the weighted average of the yields in column 4 for lines 1 to 8 and 10 to 17 respectively, where the weight given to each yield is the value shown in column 1.

Returns under Insurance Companies Legislation

Form 47

Long Term business: Analysis of holdings in authorised unit trusts directly matching liabilities in respect of property linked benefits

Name of Company

Global business/UK branch business/Community branch business

OB/IB

Financial year ended

Name of unit trust 1	Number of units held 2	Valuation price per unit 3	Value of units held 4
Total			

**INSURANCE
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Returns under Insurance Companies Legislation

Form 48

Long Term business: Analysis of assets which are matching liabilities in respect of property linked benefits other than holdings in authorised unit trusts or internal linked funds

Name of Company

Global business/UK branch business/Community branch business

OB/IB

Financial year ended

Name of contract Type of asset	Value of assets				
	1	2	3	etc	Total
Total					

Returns under Insurance Companies Legislation

Form 49

Long Term business: Balance sheet for internal linked funds

Name of Company

Global business/UK branch business/Community branch business

OB/IB

Financial year ended

Type of asset		Names of funds		A	B	etc	Total
Land			1				
Fixed interest securities	Government or public authority		2				
	Other		3				
Variable interest securities			4				
Unit Trusts			5				
Mortgages on land			6				
Building Society shares and deposits			7				
Deposits and loans			8				
Income due or accrued			9				
Cash			10				
Other assets (particulars to be specified)			11				
Total (1 to 11)			12				
Total investment in other internal linked funds of the company			13				
Total assets (12 + 13)			14				
Amount set aside for tax on capital gains not yet realised			15				
Secured loans			16				
Unsecured loans			17				
Other liabilities (particulars to be specified)			18				
Total liabilities (15 to 18)			19				
Net asset value (14 - 19)			20				

Instructions

- 1 The entries at line 20 shall be the same as those at line 15 on Form 51.
- 2 The entry at line 12 in the Total column shall be equal to line 85 on Form 13.

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Returns under Insurance Companies Legislation

Form 50

Long Term business: Analysis of units in internal linked funds

Name of Company

Global business/UK branch business/Community branch business

OB/IB

Financial year ended

1	2	3	4	5	Value of units held by each internal linked fund in each unit link of other internal linked funds				10
					6	7	8	9	
A	Link 1								
	etc								
	Total								
B	Link 1								
	etc								
	Total								
etc									
Total									

Instructions

- 1 The entries in column 5 for the total values of all units in force in each internal linked fund shall equal the entries in line 20 on Form 49.
- 2 The totals of columns 6, 7 etc shall equal the entries in line 13 on Form 49.

Returns under Insurance Companies Legislation

Form 51

Long Term business: Revenue account for internal linked funds

Name of Company

Global business/UK branch business/Community branch business

OB/IB

Financial year ended

Names of funds		A	B	C	D	E	etc
Value of net creation of units	1						
Investment income attributable to the fund before deduction of tax	2						
Increase (decrease) in the value of investments in financial year	3						
Other income (particulars to be specified)	4						
Total income (1 to 4)	5						
Value of net cancellation of units	6						
Charges for management	7						
Charges in respect of tax on investment income	8						
Taxation on realised capital gains	9						
Increase (decrease) in amount set aside for tax on capital gains not yet realised	10						
Other expenditure (particulars to be specified)	11						
Total expenditure (6 to 11)	12						
Increase (decrease) in fund in the financial year (5-12)	13						
Internal linked fund brought forward	14						
Internal linked fund carried forward	15						

Instruction

Funds shall be entered in the same column positions on this form and on Form 49.

Regulation 24

SCHEDULE 4

ABSTRACT OF VALUATION REPORT PREPARED BY THE APPOINTED ACTUARY
(Forms 55 to 61)

The abstract shall state that the valuation has been made in conformity with Regulation 54 of the Insurance Companies Regulations.

The following information shall be given, the answers being numbered to accord with the numbers of corresponding paragraphs of this Schedule and any monetary amounts being shown in sterling (converted from other currencies, where necessary, at the latest closing middle rate available on the date to which the investigation relates)—

1. The date to which the investigation relates.
 2. The date to which the latest previous investigation under section 18 of the Act related.
 3. For each category of non-linked contract, other than those fully described by the entry in column 1 of Form 55, a full description of the benefits including any premium rate guarantees and options.
 - 4.—(1) For each category of linked contract—
 - (a) a full description of the benefits including any guarantees and options;
 - (b) the percentage of premiums invested (deemed or actual) for specimen ages and terms;
 - (c) a list of the internal linked funds to which benefits under the contract may be linked, with details of the type of unit allocated where the fund is divided into more than one type;
 - (d) a list of the authorised unit trusts to which benefits under the contract may be linked.
 - (2) For each internal linked fund—
 - (a) the general nature of the investments of the fund and the charges that are made to the fund in respect of investment expenses;
 - (b) for each type of unit based on that fund, the initial and periodic charges made, and the nature of any other pricing adjustments.
 - (3) For each authorised unit trust, the rate of discount, commission or other allowance made to the insurance company on the purchase or sale of units.
- (NB: It shall be sufficient, instead of giving the full information required by

paragraphs 3 and 4, to refer to the previous abstract when full information in respect of the category of contract was last given, if full information in respect of every category of contract is given in the abstract when a statement of long term business is also prepared.)

5.—(1) The general principles and methods adopted in the valuation including specific reference to the following—

- (a) the basis of the provision made for any mismatching between the nature (including currency) and term of the assets held and the liabilities valued;
- (b) where the net premium method has been used, whether and to what extent it has been modified and for what purposes the modification has been made and whether any modifications on account of zillmerising conform to Regulation 58 of the Insurance Companies Regulations;
- (c) whether any negative reserves arose and the steps taken to ensure that no contract of insurance was treated as an asset;
- (d) whether any specific reserve has been made for future bonus and, if so, at what rate or rates;
- (e) the basis of the provision made for any prospective liability for tax on unrealised capital gains;
- (f) in the case of linked contracts and deposit administration contracts, the basis of the provision made for any investment performance guarantees;
- (g) the basis of the provision made for any guarantees and options (other than investment performance guarantees).

(2) For the purposes of this paragraph—

- (a) where, in determining the provisions referred to in sub-paragraphs (a) and (e) above, account has been taken of the fact that the fund has been brought into Form 58 at book value in accordance with Regulation 38(5) of the Insurance Companies Regulations, that fact should be stated; and
- (b) it shall be sufficient, instead of giving the full information required by this paragraph, to state whether changes have been made since the previous abstract when full information was last given, if full information of the general principles and methods adopted in the valuation is given in the abstract when a statement of long term business is also prepared.

6.—(1) Where applicable, the rates of interest and tables of mortality and disability assumed in the valuation of the various categories of contracts (to be shown in Forms 55 and 56).

(2) If the tables used have not been published, full details of the rates of mortality or disability used.

7. In respect of non-linked contracts—

- (a) where appropriate, the proportion of the office premiums explicitly or

- implicitly reserved for expenses and profits for each type of insurance (to be shown in column 8 of Form 55);
- (b) the method by which provision is made for expenses after premiums have ceased or where no future premiums are payable or where the method of valuation does not take credit for future premiums as an asset;
 - (c) where a prospective method of valuation has not been used, details of the tests of the adequacy of the method used;
 - (d) where, in valuing contracts falling within the circumstances described in Regulation 57(1) of the Insurance Companies Regulations, future premiums brought into account are not in accordance with that Regulation, such additional information as is necessary to demonstrate whether the mathematical reserves determined in the aggregate for each of the main categories of contract are greater than an amount for each such category calculated in accordance with Regulations 55 to 64 of those Regulations:

Provided that where the mathematical reserves (after deduction of reinsurance cessions) determined in the aggregate for all categories of contracts referred to in sub-paragraph (d) above represent less than 5 per cent of the total mathematical reserves (after deduction of reinsurance cessions) for all non-linked contracts, it shall be sufficient for the actuary to state that the mathematical reserves for each such category of contracts are not less than the mathematical reserves that would be determined on a net premium reserving basis which shall be specified by the actuary in the abstract.

8. For each category of linked contract,—

- (a) all assumptions made in calculating the valuation net liability in columns 11 and 12 of Form 56; and
- (b) where explicit provision has not been made for meeting the expenses likely to be incurred in future in fulfilling the existing contracts on the basis of specific assumptions in regard to the relevant factors, details of the basis used in testing the adequacy of the reserves to satisfy Regulation 61(1) of the Insurance Companies Regulations.

9. The proportion of the total mathematical reserves (other than liabilities for property linked benefits under linked contracts) as shown in Forms 55 and 56 not matched by assets in the same currency.

10.—(1) For reinsurance ceded on a facultative basis to a reinsurer who is not authorised to carry on insurance business in the United Kingdom at any time during the period since the date to which the last investigation related—

- (a) the aggregate of premiums payable by the company to all such reinsurers (sub-divided according to accounting periods if appropriate) and the aggregate amount deposited at the date to which the valuation relates under any deposit back arrangement; and
- (b) the amount of any such premiums payable by the company to a reinsurer with whom the company is connected and the aggregate of

such amounts deposited at that date under deposit back arrangements with all such reinsurers.

(2) For each reinsurance treaty where the company is the cedant and under which business is in force at the date to which the valuation relates—

- (a) whether the reinsurer is authorised to carry on insurance business in the United Kingdom;
- (b) whether the company and the reinsurer are connected;
- (c) an indication of the nature and extent of the cover given under the treaty;
- (d) the premiums payable by the company under the treaty during the period since the date to which the last valuation report related;
- (e) the amount deposited at that date in respect of the treaty under any deposit back arrangements;
- (f) the extent to which provision has been made for any liability of the company to refund any amounts of reinsurance commission in the event of lapses or surrender of the contract; and
- (g) whether the treaty is closed to new business.

(3) In this paragraph—

- (a) “deposit back arrangement”, in relation to any contract of reinsurance, means an arrangement whereby an amount is deposited by the reinsurer with the cedant; and
- (b) paragraphs (1), (2) and (3)(a) of Regulation 20 above (which relate to connected persons) shall have effect for the purposes of this paragraph as they have effect for the purposes of the Regulations therein mentioned.

11. Where any rights of any policyholders to participate in profits relate to profits from particular parts of a long term business fund—

- (a) a revenue account in the format of Form 40 for each such part except where such information is provided elsewhere;
- (b) the principles and methods applied in apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between each part, where these particulars are not provided elsewhere.

12. Whether there is any reference to the principles on which the distribution of profits among policyholders and shareholders is made in the constitution of the company or in provisions made thereunder, in any policy issued by the company or in any advertisement by the company and, if so, a description of the principles and a reference to the document in which they are expressed.

13. Particulars of the bonus allocated to each category of contract, including the basis of calculation and the circumstances and the form in which the bonus is payable.

(NB: Wherever appropriate, rates of bonus are to be expressed as a fraction of the attribute of the contract to which they are related, eg as rates per £1,000 of the sum assured and existing bonuses.)

14. Where the rates of bonus allocated depend on the original term of the contract or on the period of years a contract has been in force or on the age of the life assured, specimen rates at 5-year intervals of original term or duration or at 10-year intervals of age, as the case may be.

(NB: Where the rates of bonus allocated depend on a formula or a series of formulae, then the formula or formulae should be listed instead of the specimen rates.)

15. Where any conditions attach to the allocation of bonus to any category of contract concerning the number of years premiums to be paid before a bonus vests or otherwise, particulars of such conditions in relation to each category of contract.

16. A statement of the practice regarding any bonus payments (in addition to those for which the company had become contractually liable) to be made on claims arising in the period up to the next investigation together with the rates at which such bonus payments are to be determined.

17. Separate valuation summaries in the forms set out in Forms 55 and 56 and separate analyses of unit liabilities in the form set out in Form 57 in respect of each separate fund or part of a fund for which a surplus is determined under section 18 of the Act for—

- (i) direct business and reinsurance accepted;
- (ii) reinsurance ceded.

18. Separate statements of the results of the valuation in the form set out in Form 58 in respect of each separate fund or part of a fund for which a surplus is determined under section 18 of the Act.

19. Separate statements of the required minimum margin for long term business in the form set out in Form 60, and of the required margin of solvency for Supplementary Accident and Sickness Insurance in the form set out in Form 61.

(N.B. If the gross annual office premiums for Supplementary Accident and Sickness Insurance in force on the valuation date do not exceed 1 per cent of the gross annual office premiums in force on that date for all long term business, Form 61 need not be completed provided it can be stated that the entry in line 10 of Form 60 exceeds the amount that would be obtained if Form 61 were to be completed. In this circumstance, the method of estimating the entry in line 10 of Form 60, together with a statement of the gross annual office premiums in force at the valuation date in respect of Supplementary Accident and Sickness Insurance, should be given.)

Instructions for Completion of Forms 55 and 56

1 Information shall be shown separately and totalled within each section in the sequence specified below:

- (i) United Kingdom business
- (ii) overseas business.

The totals net of reinsurance ceded of United Kingdom business and overseas business are also to be shown together with a summary of global net total business.

Separate totals for column 5 on Form 55 and columns 5, 6 and 7 on Form 56 shall be shown for sums insured, for annuities per annum and for other measures of benefit.

2 The information shall be analysed and sub-totalled within each type of business in the sequence specified below:

- (i) life assurance business
- (ii) general annuity business
- (iii) pension business
- (iv) permanent health business
- (v) capital redemption business.

3* The information shall be further analysed and sub-totalled within each basis of participation in profits in the sequence specified below:

- (i) with participation in profits
- (ii) without participation in profits.

4 Within each subdivision required under paragraphs 2 and 3 above the appropriate types of insurance from the following list shall be shown separately:

- (i) whole life assurance
- (ii) endowment assurance
- (iii) pure endowment assurance
- (iv) term assurance
- (v) other assurance (to be specified)
- (vi) miscellaneous assurance
- (vii) deferred annuity
- (viii) annuity in payment
- (ix) other annuity (to be specified)
- (x) miscellaneous annuity
- (xi) group pension
- (xii) group life
- (xiii) other group (to be specified)
- (xiv) permanent health insurance
- (xv) capital redemption assurance
- (xvi) annuity certain.

And particulars shall also be shown of any subsidiary provisions within general business class 1 or 2 which, by virtue of section 1(2) and (3) of the Insurance Companies Act 1982 are to be taken to be included in long term business of any class (Supplementary Accident and Sickness Insurance – see Form 61).

INSURANCE
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5 A further subdivision into each separate category of contract is required as follows:

Form 55 — each category of contract which is valued on a different valuation basis;

Form 56 — each category of contract which provides different guarantees or options, and each category of unit link. For the purpose of determining the category of the unit link, all authorised unit trusts may be considered to be one category and all internal linked funds may be considered to be one category.

Reserves for tax on capital gains or for investment performance guarantees may be shown on separate lines in the mathematical reserves column, where they are calculated on an aggregate basis, or in additional columns of non-unit liabilities, where they are calculated on an individual basis.

6 Special reserves (including reserves calculated on an aggregate basis for tax on capital gains and investment performance guarantees) or adjustments shall be shown on separate lines in the mathematical reserves column and the particulars of such reserves or adjustments shall be specified.

7 Any contract which consists of a combination of different types of insurance shall be treated as a number of separate contracts each dealing with one of the different types of insurance so combined and the amount by which the total number of contracts shown in column 4 of any valuation summary exceeds the actual number of contracts to which that valuation summary relates shall be stated:

Provided that, in relation to any category of such combined contract, any types of insurance included in the combination which in the aggregate account for less than 10 per cent of the total mathematical reserves under that category of contract need not be separately distinguished.

8 Non-linked contracts the nature of which or the method of valuation of which makes it impossible or inappropriate to give the information required in columns 7 to 11 of Form 55 shall be shown separately and the reason for the impossibility or the inappropriateness stated.

9 Linked contracts the nature of which or the method of valuation of which makes it impossible or inappropriate to give the information in the exact form required by Form 56 shall be shown on a separate valuation summary with appropriately modified column headings and the reason for the modification stated.

10 Contracts of any description may be grouped together under any 'miscellaneous' heading provided that mathematical reserves for business shown under all such headings in any one valuation summary do not exceed 5 per cent of the total mathematical reserves for all business shown in that valuation summary.

11 Contracts with deferred participation in profits and contracts with an option to convert to another category of contract shall be included in the category in which they fall at the date to which the investigation relates.

12 Contracts on more than one life may be included with single life contracts.

13 Contracts subject to limited premiums may be included with contracts under which premiums are payable throughout.

14 Life annuities guaranteed for a term certain or which provide for a refund of the balance of the purchase money on early death may be included with other life annuities.

15 In the case of contracts with variable benefits the benefits shall be taken as at the date to which the investigation relates and, where such benefits are included as approximate amounts only, that fact shall be stated.

16 In relation to group deferred annuity contracts under which premiums have not ceased, a statement of how the amount of annual office premiums has been arrived at shall be given.

17 Where for group life and pension schemes the mathematical reserves at the valuation date are based on those in respect of the business in force at the last scheme revision date, any adjustment on account of changes after that date shall be shown separately.

18 It is to be stated in relation to each category of contract where it is appropriate, whether the amount of the sum assured or deferred annuity shown in the valuation summary is the full sum assured or annuity which would come into payment on the maturity date or the amount accrued or actually purchased at the date to which the investigation relates and, where it is the amount accrued or actually purchased at the date, an estimate of the full prospective sum assured or annuity for that category shall be given.

Form 57

Analysis of unit liabilities

Global business/UK branch business/Community branch business

OB/IB

Fund / Part of Fund

Name of unit link 1	Valuation price per unit 2	Number of units deemed allocated to contracts 3	Unit liability 4
Total			

Instructions

- 1 The total of column 4 shall equal the total of column 11 on Form 56.
- 2 A separate line shall be used for each authorised unit trust and each different type of unit of each internal linked fund.

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**INSURANCE
INDUSTRIAL ASSURANCE**

Valuation result and distribution of surplus

Form 58

Global business/UK branch business/Community branch business
Fund/Part of Fund

OB/IB

Valuation result	Fund carried forward		1	
	Bonus payments made to policyholders in anticipation of a surplus		2	
	Transfers out of Fund/Part of Fund	Net transfer to (from) statement of other income and expenditure	3	
		Net transfer to (from) other Funds/Parts of Funds	4	
	Net transfer out of Fund/Part of Fund (3 + 4)		5	
	Total (1 + 2 + 5)		6	
	Mathematical reserves for non-linked contracts		7	
	Mathematical reserves for linked contracts		8	
	Total (7 + 8)		9	
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (6 – 9)		10	
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		11	
	Transfers into Fund/Part of Fund	Net transfer from (to) statement of other income and expenditure	12	
		Net transfer from (to) other Funds/Parts of Funds	13	
	Net transfer into Fund/Part of Fund (12 + 13)		14	
	Surplus arising since the last valuation		15	
Total (11 + 14 + 15) (= 10)		16		
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		17	
	Allocated to policyholders by way of	cash bonuses	18	
		reversionary bonuses	19	
		other bonuses	20	
		premium reductions	21	
	Total allocated to policyholders (17 to 21)		22	
	Net transfer out of Fund/Part of Fund (= 5)		23	
	Total distributed surplus (22 + 23)		24	
Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		25		
Total (24 + 25) (= 10)		26		
Percentage of distributed surplus allocated to policyholders of Fund/Part of Fund		27		
Corresponding percentage at three immediately previous valuations	latest (date of valuation)	28		
	earlier (date of valuation)	29		
	earliest (date of valuation)	30		

Instructions for Completion of Form 58

1 The entry at line 1 shall be equal to the entry at line 16 in the revenue account for the relevant fund/part of fund.

2 Where interim, mortuary or terminal bonuses are determined in advance of a valuation and are paid in anticipation of surplus arising at the valuation, the amounts of such bonus actually paid in the period up to the valuation date shall be entered in lines 2 and 17. To the extent that it is the practice of the company to make specific provision for the cost of such bonuses payable on future claims out of surplus arising at a valuation, such amounts shall be treated as amounts allocated to policyholders at the valuation in question and included in line 20, and the actual amounts paid shall not appear at lines 2 and 17 at future valuations. An appropriate note shall be appended identifying the various items where necessary.

3 Where policies have been transferred from one fund/part of fund to another, the associated transfer of reserves shall not be included as a "transfer" in this Form. Where any other transfer has been made, only one positive figure shall be inserted in either line 5 or line 14 (depending on the direction of the net transfer) leaving the other line blank. Corresponding entries shall be made in either the block comprising lines 3 and 4 or the block comprising lines 12 and 13, as applicable.

4 Where the entry in line 4 or line 13 represents more than one transaction, each transfer shall be separately identified in the form or in a note.

5 In the case of a company which makes allocations to eligible policyholders generally at intervals of more than one year, bonus payments made to policyholders in anticipation of a surplus, transfers to or from other income and expenditure or to or from other funds or parts of funds shall include the amounts of all such bonus payments and transfers made since the date of the last general allocation. In that case the word "valuation" in lines 11 and 15 shall be replaced by "general allocation", and line 11 shall show the balance of the surplus brought forward unappropriated from the date of the last general allocation and line 15 shall show the total amount of the surplus arising since that date. When the bonus payments or transfers relate to a period of more than one year that fact shall be stated in a note.

6 Line 27 is line 22 as a percentage of line 24. Line 27 shall not be completed in years where there is no general allocation.

INSURANCE
INDUSTRIAL ASSURANCE

Form 60

Required minimum margin — Long Term business

Returns under Insurance Companies Legislation
Global business/UK branch business/Community branch business

CLASS	Relevant factor (Note 5)	Classes I and II		Class III business with relevant factor of			Classes IV and VI			Class VII business with relevant factor of			Unallocated additional mathematical reserves with relevant factor of		Total for all classes	
		4%		4%	1%	Nil	Total	4%	1%	Nil	Total	4%	1%	The financial year	The previous year	
1	Mathematical reserves before deduction for reinsurance: (a) Reserves before distribution of surplus (b) Reserves for bonus allocated to policyholders (c) Reserves after distribution of surplus															
2	Mathematical reserves after deduction for reinsurance: (a) Reserves before distribution of surplus (b) Reserves for bonus allocated to policyholders (c) Reserves after distribution of surplus															
3	Ratio of 2 (c) to 1 (c), or 0.85 if greater (see Note 1)															
4	Required margin of solvency — first result = 1 (c) x 3 x relevant factor															
5	Non-negative capital at risk before reinsurance: (see Note 2) (a) Temporary assurances with required margin of solvency of .001 (b) Temporary assurances with required margin of solvency of .0015 (c) All other contracts with required margin of solvency of .003 (d) Total for (a) + (b) + (c)															
6	Non-negative capital at risk after reinsurance (all contracts): (see Note 2)															
7	Ratio of 6 to 5 (d), or 0.50 if greater															
8	Required margin of solvency - second result (see Note 3)															
9	Sum of first and second result = 4 + 8															
10	Required margin of solvency for Supplementary, Accident and Sickness Insurance															
11	Total required margin of solvency for long term business = 9 + 10															
12	Minimum guarantee fund															
13	Required minimum margin (greater of 11 and 12)															

NOTES

- For a pure reinsurer, the factor of 0.85 shall be replaced by 0.50
- After distribution of surplus
- Line 8 equals line 7 x [5 (a) x .001 + 5 (b) x .0015 + 5 (c) x .003] for Classes I and II,
- Any additional mathematical reserves referred to in the note to Form 14 shall be included on this Form.
- The appropriate factor specified in regulations 5 (2) (a) and 6 (3) and (4) of the Insurance Companies Regulations 1981.

Returns under Insurance Companies Legislation

Form 61

Supplementary Accident and Sickness Insurance

Calculation of required margin of solvency

Global business/UK branch business/Community branch business

		The financial year	The previous year
		1	2
Gross premiums receivable		1	
Premium taxes and levies (included in line 1)		2	
Sub-total A (1-2)		3	
Adjusted sub-total A if financial year is not a 12 month period to produce an annual figure		4	
Division of sub-total A (or adjusted sub-total A if appropriate)	Up to and including sterling equivalent of 10M ECU x 18/100	5	
	Excess (if any) over 10M ECU x 16/100	6	
Sub-total B (5 + 6)		7	
Claims paid		8	
Claims outstanding carried forward at end of financial year		9	
Claims outstanding brought forward at beginning of financial year		10	
Sub-total C (8 + 9 - 10)		11	
Amounts recoverable from reinsurers in respect of claims included in sub-total C		12	
Sub-total D (11-12)		13	
Required margin of solvency for Supplementary Accident and Sickness Insurance:		14	
Sub-total B x sub-total D sub-total C (or, if ½ is a greater fraction, x ½)			

Note

"Supplementary Accident and Sickness Insurance" means insurance falling within Class 1 (Accident) and Class 2 (Sickness) of general business included in contracts to which section 1(2) and (3) of the Insurance Companies Act 1982 applies.

Regulation 24

SCHEDULE 5

STATEMENT OF LONG TERM BUSINESS BY THE APPOINTED ACTUARY
(Forms 65 to 78)

1. The date at which the valuation is made shall be stated.

2.—(1) A statement for each category of non-linked contract which is separately distinguished in Form 55 is to be given in such one of the forms set out in Forms 65 to 70 as is appropriate to that category of contract, or, in the case of a category of contract to which none of these forms is appropriate, in such form and containing such particulars as are sufficient to enable an independent assessment of the liabilities of the company's long term business to be made. As far as possible, the order in which the statements appear in this Schedule shall follow the order in which the categories of contract appear in Form 55.

(2) A statement for each category of linked contract which is separately distinguished in Form 56 is to be given in such one of the forms set out in Forms 72 to 77 as is appropriate to that category of contract, or, in the case of a category of contract to which none of these forms is appropriate, in such form and containing such particulars as are sufficient to enable an independent assessment of the liabilities of the company's long term business to be made. As far as possible, the order in which the statements appear in this Schedule shall follow the order in which the categories of contract appear in Form 56. The amounts shall be expressed in terms of currency or units as appropriate. In the case of contracts expressed in non-monetary units, the sterling values of the bid and offer prices of the units at 3-monthly intervals since the date of the previous statement prepared under section 18(2) of the Act are to be given in a supplement.

(3) Where contracts are written in currencies other than sterling, amounts in such currencies may be distinguished in the statements referred to above and expressed in those currencies, provided that the "total" items in each statement are also given in sterling for each currency at the rate of exchange for that currency used for the purpose of preparing the valuation summary.

(4) A separate statement is to be given in respect of each category of contract for—

- (i) direct business and reinsurance accepted; and
- (ii) reinsurance ceded.

(5) In the case of a category of contract subject to premiums payable only for a limited term, the premiums are to be classified either—

- (a) according to age, or
- (b) according to the number of annual payments remaining to be made,

but if the premiums are classified under (a) there is to be appended to the form either a statement of the corresponding valuation factors required in calculating the value of future premiums or a statement of the average future period of payment of the premiums at each age.

3.—(1) In the case of a category of linked contract being a single premium whole life assurance where the death benefit is a function of the age at death and has been calculated to be equivalent to the valuation mortality rate, so as to make the value of the death benefit liability independent of age, it is sufficient for that fact to be stated and for the information to be given for all ages combined rather than analysed by age groups as required by paragraph 2(2) above.

(2) In the case of a category of linked contract where the non-unit liability is less than 1 per cent of the unit liability for that category of contract, it will be sufficient for that fact to be stated and for the information to be given for all ages combined rather than analysed by age groups as required by paragraph 2(2) above—

Provided that if the category of contract contains an investment performance guarantee or if the valuation method requires the discounting of the value of units, no advantage may be taken of this sub-paragraph.

4. In the case of those categories of contract which are shown in Forms 55 and 56 under a heading of “miscellaneous”, statements may be prepared in the form set out in Forms 71 and 78 respectively, and, if this be done, no statement need be prepared in pursuance of paragraph 2 above for those categories of contract.

5.—(1) For all contracts other than those included under the description “miscellaneous” in Forms 55 and 56 particulars are to be given of the methods and bases employed in calculating any minimum surrender values and paid-up amounts guaranteed in the contracts with examples of the application of the method to contracts which have been in force for 1, 2, 3, 4, 5, 10, 15 and 20 years taken out at each of the ages 25, 40 and 55 or for original terms of 10, 20 and 30 years maturing at age 60, as appropriate.

(2) For those contracts where there are no minimum values or amounts guaranteed, particulars and examples of the values and amounts currently allowed are to be given as under sub-paragraph (1) of this paragraph but only in respect of standard types of insurance.

(3) In the case of linked contracts where full information has been given under paragraph (4)(1)(a) of Schedule 4 above no information in respect of surrender values and paid-up amounts need be given under this paragraph.

(4) Where any of the surrender values or paid-up amounts referred to in this paragraph in relation to industrial assurance business are the minimum amounts prescribed under the Industrial Assurance Act 1923(a) or under the Industrial Assurance and Friendly Societies Act 1929(b), or under the Industrial Assurance (Northern Ireland) Order 1979(c), this fact is to be stated.

(a) 1923 c.8.

(b) 1929 c.28.

(c) S.I. 1979/1574 (N.I.13).

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**INSURANCE
INDUSTRIAL ASSURANCE**

Whole life assurances

Form 65

Global business/UK branch business/Community branch business

OB/IB

Age (starting with the youngest) 1	Sums assured 2	Reversionary bonuses 3	Annual office premiums 4
Total			

Instructions

- 1 The information may be given for 5-year age groups.
- 2 The basis on which the age has been assessed shall be stated.

**INSURANCE
INDUSTRIAL ASSURANCE**

Form 67

Deferred annuities with guaranteed cash options

Global business/UK branch business/Community branch business

OB/IB

Year in which payment of annuity is due to commence (starting with the nearest)	Cash option in lieu of annuity (excluding bonus)	Cash option in lieu of bonus additions	Annual office premiums
1	2	3	4
Total			
Total annuity per annum corresponding to total cash options in			
Column 2		Column 3	

Instructions

- 1 An explanation shall be given of the criteria adopted for deciding whether to value the cash option or the deferred annuity payments under such contracts.
- 2 For any contracts which have been valued by discounting the deferred annuity payments instead of the cash option, a separate table shall be given in the form of Form 68.
- 3 The information may be given for 5-year groups of year of commencement of annuity for annuities due to commence more than 15 years after the valuation date.
- 4 For deferred annuities secured under group or master contracts, under which premiums have not ceased but which have been valued on the basis that no future premiums will be payable, the cash options and annuity shown shall be those secured by the premiums already paid and no office premiums shall be given.
- 5 Separate tables shall be given in respect of business with a return of premiums on death before payment of the annuity is due to commence and in respect of business with no such benefit provided that one table only need be given for both these categories if that table contains sufficient additional information to enable the actuarial value of the death benefit to be estimated.
- 6 When the date on which the annuity was due to commence has passed but the annuity has not commenced and the cash option has not been taken, the basis on which the cash option and annuity have been included shall be stated.

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Form 69

Annuities in payment: Payable for life including those guaranteed for a minimum term certain

Global business/UK branch business/Community branch business

OB/IB

Age (starting with the youngest) 1	Amount in payment per annum	
	Men 2	Women 3
Total		

Instructions

- 1** For ages under 60 the information may be given for 5-year age groups.
- 2** The basis on which the age has been assessed shall be stated.
- 3** Deferred annuities where the date on which the annuity was due to commence has passed but the annuity has not commenced, and any cash option has not been taken, shall be included in Form 67 or Form 68 as appropriate.

Form 70

Annuities in payment: Payable for a temporary period, including those payable for a term certain

Global business/UK branch business/Community branch business

OB/IB

Year in which the term ends (starting with the nearest)	Amount in payment per annum
1	2
Total	

Form 72

Linked single premium assurances

Global business/UK branch business/Community branch business

OB/IB

Age (starting with the youngest)	Current sums assured	Guaranteed minimum sums assured	Number of units allocated at valuation date
1	2	3	4
Total			

Instructions

- 1 The information may be given for 5-year age groups.
- 2 The basis on which the age has been assessed shall be stated.
- 3 A separate column 4 shall be provided for each different unit link to which a category of contract is linked.
- 4 If there are any monetary guarantees on surrender the contracts shall be classified by term to the next guarantee date rather than by age and an additional column showing the mean age shall be given.

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Form 73

Linked regular premium assurances without monetary guarantees on survival: Unit liability not discounted

Global business/UK branch business/Community branch business

OB/IB

Age (starting with the youngest)	Current sums assured	Guaranteed minimum sums assured	Number of units allocated at valuation date	Annual office premiums	Annual amount deemed invested in units in future
1	2	3	4	5	6
Total					

Instructions

- 1 The information may be given for 5-year age groups.
- 2 The basis on which the age has been assessed shall be stated.
- 3 A separate column 4 shall be provided for each different unit link to which a category of contract is linked.
- 4 Where the annual amount invested in units in future is not constant this shall be stated and additional information given.

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Form 75

**Linked regular premium assurances with or without monetary guarantees
on survival: Unit liability partially or wholly discounted**

Global business/UK branch business/Community branch business

OB/IB

Year of maturity (starting with the nearest)	Current sums assured on death	Guaranteed minimum sums assured on death	Guaranteed minimum sums assured on maturity	Number of units allocated at valuation date	Annual office premiums	Annual amount deemed invested in units in future
1	2	3	4	5	6	7
Total						

Instructions

- 1 The information may be given for 5-year groups of year of maturity for contracts maturing more than 15 years after the valuation date.
- 2 A separate column 5 shall be provided for each different unit link to which a category of contract is linked.
- 3 Where the annual amount invested in units in future is not constant this shall be stated and additional information given.

Form 76**Linked deferred annuities**

Global business/UK branch business/Community branch business

OB/IB

Year in which payment of annuity is due to commence (starting with the nearest)	Number of units allocated at valuation date
1	2
Total	

Instructions

- 1 The information may be given for 5-year groups of year of commencement of annuity for annuities due to commence more than 15 years after the valuation date.
- 2 A separate column 2 shall be provided for each different unit link to which a category of contract is linked.
- 3 Separate tables shall be given in respect of business with a return of premiums on death before payment of the annuity is due to commence and in respect of business with no such benefit, provided that one table only need be given for both these categories if that table contains sufficient additional information to enable the actuarial value of the death benefit to be estimated.

**INSURANCE
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Form 77

Linked annuities in payment

Global business/UK branch business/Community branch business

OB/IB

Age (starting with the youngest)	Men		Women	
	Number of units in payment per annum	Number of annuity units deemed allocated	Number of units in payment per annum	Number of annuity units deemed allocated
1	2	3	4	5
Total				

Instructions

- 1 For ages under 60 the information may be given for 5-year age groups.
- 2 The basis on which the age has been assessed shall be stated.
- 3 Columns 2 and 4 shall be completed only for those categories of contract where the company bears the mortality risk. Columns 3 and 5 shall be completed for those categories of contract where the policyholders bear the mortality risks.
- 4 A separate form shall be provided for each different unit link to which a category of contract is linked.

Miscellaneous linked contracts

Global business/UK branch business/Community branch business

OB/IB

Name of contract 1	Number of contracts 2	Amount of sums assured or annual amounts of annuity, including bonuses 3	Amount of annual office premiums 4	Name of unit link 5	Number of units deemed allocated 6	Unit liability 7	Non-unit liability 8
Total							

Instruction

Where a category of contract has more than one unit link, a sub-division into each different unit link is required in columns 5, 6 and 7. Columns 6 and 7 shall be totalled in respect of each different unit link.

Regulations 26 and 27

SCHEDULE 6

PART I

Certificate by directors etc.

1. Subject to paragraph 8 below, the certificate required by Regulation 26(a) above shall state, in relation to the part of the return comprising Forms 9 to 16, 20 to 29, 31 to 37 and 40 to 51,—

- (a) that for the purposes of preparing the return—
 - (i) proper accounts and records have been maintained and adequate information has been obtained by the company, and
 - (ii) an appropriate system of control has been established and maintained by the company over its transactions and records;
- (b) that the value shown for each category of asset has been determined in conformity with Regulation 4 above and includes the value of only such assets or such parts thereof as are permitted to be taken into account;
- (c) that the amount shown for each category of liability (including contingent and prospective liabilities) has been determined in conformity with Regulation 4 above; and
- (d) that in respect of the company's business which is not excluded by Regulation 27 of the Insurance Companies Regulations, the assets held at the end of the financial year enabled the company to comply with Regulations 25 and 26 (matching and localisation) of those Regulations.

2. Subject to paragraph 8 below, the certificate required by Regulation 26(a) above shall state in relation to the part of the return comprising a statement required by Regulations 17, 18 or 19 above that, for the purposes of preparing the statement,—

- (a) proper accounts and records have been maintained and, as necessary, reasonable enquiries have been made by the company for the purpose of finding whether any person and any body corporate are connected for the purposes of Regulations 17(1)(b) and (2), 18(b) and 19(1)(b) and (2) above, and
- (b) an appropriate system of control has been established and maintained by the company over its transactions and records.

3. Subject to paragraph 8 below, the certificate required by Regulation 26(a) above shall state, in relation to the statement required by Regulation 29 above,—

- (a) that for the purpose of preparing the statement, proper accounts and records have been maintained; and
- (b) that the information given has been ascertained in conformity with that Regulation.

4. Subject to paragraph 8 below the certificate required by Regulation 26(a)

above shall state separately in respect of long term business and of general business,—

- (a) in the case of a United Kingdom company, a pure reinsurer or (in respect of its global business) a United Kingdom deposit company or external company, that—
 - (i) immediately following the end of the financial year the amount of the company's required minimum margin was as shown in Form 9; and
 - (ii) at the end of the financial year the amount of the company's available assets and quantifiable contingent liabilities (other than those included in Form 14 or Form 15 in accordance with paragraph 10(1) of Schedule 1 above) and the identity and value of items admitted as implicit items in accordance with Regulation 10(4) of the Insurance Companies Regulations were as shown in Form 9;
- (b) in the case of a Community company (other than a United Kingdom company or a pure reinsurer) and of a Community deposit company, that the value of the admissible assets of the long term business or of the general business carried on by the company through an agency or branch in the United Kingdom was maintained at not less than the amount of the liabilities of that business;
- (c) in the case of an external company (other than a pure reinsurer),—
 - (i) in relation to the long term business or to the general business carried on by the company through an agency or branch in the United Kingdom that—
 - (aa) immediately following the end of the financial year the amount of the company's required United Kingdom minimum margin was as shown in Form 9; and
 - (bb) at the end of the financial year the amount of the company's available assets and quantifiable contingent liabilities (other than those included in Form 14 or in Form 15 in accordance with paragraph 10(1) of Schedule 1 above) and the identity and value of items admitted as implicit items in accordance with Regulation 10(4) of the Insurance Companies Regulations were as shown in Form 9;
 - (ii) that the company has kept admissible assets representing the required United Kingdom minimum margin of an amount at least equal to the appropriate guarantee fund or minimum guarantee fund, whichever was the greater, within the United Kingdom and has kept admissible assets representing the remainder of that minimum margin within the United Kingdom and the other member States; and
 - (iii) that the deposit made in accordance with section 9(1)(c) of the Act has been maintained at a level equal to at least the minimum as defined in Regulation 14 of the Insurance Companies Regulations;
- (d) in the case of a United Kingdom deposit company,—
 - (i) in relation to the long term business or to the general business carried on by the company through agencies and branches in the member States concerned that—

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- (aa) immediately following the end of the financial year the amount of the company's required Community minimum margin was as shown in Form 9; and
 - (bb) at the end of the financial year the amount of the company's available assets and quantifiable contingent liabilities (other than those included in Form 14 or in Form 15 in accordance with paragraph 10(1) of Schedule 1 above) and the identity and value of items admitted as implicit items in accordance with Regulation 10(4) of the Insurance Companies Regulations were as shown in Form 9;
- (ii) that the company has kept admissible assets representing the required Community minimum margin of an amount at least equal to the appropriate guarantee fund or minimum guarantee fund, whichever was the greater, within the member States concerned and has kept admissible assets representing the remainder of that minimum margin within the member States concerned and the other member States; and
 - (iii) that the deposit made in accordance with section 9(2) of the Act has been maintained at a level equal to at least the minimum as defined in Regulation 14 of the Insurance Companies Regulations.

5.—(1) If a company accounts for any of its general business over periods longer than twelve months, subject to paragraph 8 below, the certificate required by Regulation 26(a) above shall state that all premiums and considerations receivable in respect of any such business so accounted for (and in relation to which separate provision is not made for unearned premiums and claims outstanding) have been retained in the fund or funds of the account subject only to—

- (a) the discharge of liabilities (including expenses) proper to the execution of that business, and
- (b) the transfer of any profits after the closing of the account at the end of the appropriate accounting period.

(2) A certificate under paragraph (1) above shall state that any shortfall of any fund which is referred to therein below the amount which is estimated to be required to meet outstanding liabilities (net of reinsurance and other recoveries) has been made good by transfers into that fund.

6. If a company carries on long term business the certificate required by Regulation 26(a) above shall also state, subject to paragraph 8 below,—

- (a) except in the case of a company which has no shareholders and carries on no business whatsoever other than long term business, that the requirements of sections 28 to 31 of the Act have been fully complied with and in particular that, subject to the provisions of section 29(2) to (4) and section 30 of the Act, assets attributable to long term business, the income arising therefrom, the proceeds of any realisation of such assets and any other income or proceeds allocated to the long term business fund or funds have not been applied otherwise than for the purpose of the long term business;

- (b) that any amount payable from or receivable by the long term business fund or funds in respect of services rendered by or to any other business carried on by the company or by a person who, for the purposes of section 31 of the Act, is connected with it or is a subordinate company of it has been determined and where appropriate apportioned on terms which are believed to be no less than fair to that fund or those funds, and any exchange of assets representing such fund or funds for other assets of the company has been made at fair market value;
- (c) that all guarantees given by the company of the performance by a related company of a contract binding on the related company which would fall to be met by any long term business fund have been disclosed in the return, and that the fund or funds on which each such guarantee would fall has been identified therein; and
- (d) in the case of a United Kingdom company, pure reinsurer, United Kingdom deposit company or external company which has financial, commercial or administrative links with any other company carrying on insurance business, that the returns in respect of long term business are not distorted by agreements between the companies concerned or by any arrangements which could affect the apportionment of expenses and income.

7. Except in the case of a Community company, the certificate required by Regulation 26(a) above shall also state, subject to paragraph 8 below, that proper accounts and records have been maintained in the United Kingdom in respect of business carried on through an agency or branch in the United Kingdom.

8.—(1) Where, in the opinion of those signing the certificate, the circumstances are such that any of the statements required by paragraphs 1 to 7 above (other than sub-paragraphs (a), (c)(i) and (d)(i) of paragraph 4) cannot truthfully be made, the relevant statements shall be omitted.

(2) Where, by virtue of sub-paragraph (1) of this paragraph, any statements have been omitted from the certificate, this fact shall be stated in a note.

PART II

Certificate by appointed actuary

9. The certificate required by Regulation 26(b) above to be signed by the appointed actuary—

- (a) shall state, if such be the case,—
 - (i) that in his opinion proper records have been kept by the company adequate for the purpose of the valuation of the liabilities of its long term business;
 - (ii) that the mathematical reserves as shown in Form 14, together, if the case so require, with an amount specified in the certificate (being part of the excess of the value of the admissible assets representing the long term business funds over the amount of those funds shown in Form 14) constitute proper provision at the

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end of the financial year for the liabilities (other than liabilities which had fallen due before the end of the financial year) arising under or in connection with contracts for long term business including any increase in those liabilities arising from a distribution of surplus as a result of an investigation as at that date into the financial condition of the long term business; and

- (iii) that for the purposes of sub-paragraph (ii) above the liabilities have been assessed in accordance with Part VI of the Insurance Companies Regulations in the context of assets valued in accordance with Part V of those Regulations, as shown in Form 13; and
- (b) shall state the amount of the required minimum margin, required Community minimum margin or required United Kingdom minimum margin, as the case may be, applicable to the company's long term business immediately following the end of the financial year (including any amounts resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of the long term business).

10. If he considers it necessary, the appointed actuary shall add to the certificate such qualification, amplification or explanation as may be appropriate.

PART III

Auditors' report

11. The report required by Regulation 27 above shall, in addition to any statement required by section 14(4) and (6) of the Companies Act 1967(a) as applied by the said Regulation 27, state,—

- (a) in the auditors' opinion, whether the parts of the return required to be audited (that is Forms 9 to 16, 20 to 29, 31 to 37 and 40 to 51 and information furnished pursuant to Regulations 17 and 19 above) have been properly prepared in accordance with the provisions of these Regulations;
- (b) in the auditors' opinion and according to the information and explanations they have received,—
 - (i) whether the certificate required to be signed in accordance with Regulation 26(a) above (other than so much of it as relates to paragraph 3 above) has been properly prepared in accordance with these Regulations; and
 - (ii) whether it was reasonable for the persons giving the certificate to have made the statements therein,

but, in so far as the certificate is given pursuant to paragraph 2 above only to the extent that it applies to information required by Regulations 17 and 19 above; and

- (c) that in giving their opinion the auditors have relied,—
 - (i) in the case of a company carrying on long term business, on the

(a) 1967 c.81.

certificate of the actuary given in accordance with the requirements of Part II of this Schedule with respect to the mathematical reserves and required minimum margin, required Community minimum margin or required United Kingdom minimum margin, as the case may be, of the company; and

- (ii) in the case of a company carrying on long term or general business, on the identity and value of any implicit items as they have been admitted in accordance with Regulation 10(4) of the Insurance Companies Regulations.

Regulation 32

SCHEDULE 7

REGULATIONS REVOKED

<i>Number</i>	<i>Title</i>
S.I. 1980/6	The Insurance Companies (Accounts and Statements) Regulations 1980
S.I. 1980/1129	The Insurance Companies (Accounts and Statements) (Northern Ireland) Regulations 1980
S.I. 1980/1820	The Industrial Assurance Companies (Accounts and Statements) Regulations 1980
S.I. 1981/1656	The Insurance Companies (Accounts and Statements) (Amendment) Regulations 1981
S.I. 1982/305	The Insurance Companies (Accounts and Statements) (Amendment) Regulations 1982
S.I. 1982/1795	The Insurance Companies (Accounts and Statements) (Amendment) (No. 2) Regulations 1982
S.I. 1983/469	The Insurance Companies (Accounts and Statements) (Amendment) (General Business Reinsurance) Regulations 1983
S.I. 1983/1192	The Insurance Companies (Accounts and Statements) (Amendment) Regulations 1983

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations replace, with modifications, the Insurance Companies (Accounts and Statements) Regulations 1980 as amended, the Insurance Companies (Accounts and Statements) (Northern Ireland) Regulations 1980 and the Industrial Assurance Companies (Accounts and Statements) Regulations 1980.

The Regulations prescribe the form and contents of the annual returns which insurance companies authorised to carry on business in the United Kingdom are required to make to the Secretary of State. The principal new requirements relate to companies carrying on long-term business and comprise a statement of benefits enjoyed by the appointed actuary of a company (Regulation 29) and a statement of any arrangements whereby management services are received from or provided to another company (Schedule 3, paragraph 5).

The main features of the Regulations are set out below. Separate requirements are imposed in respect of a company's United Kingdom, European Community and world-wide business, depending on the location of its head office.

The balance sheet required to be prepared by a company is to comply with the requirements of Schedule 1 and to appear in Forms 9 to 15 set out in that Schedule. The margin of solvency required to be maintained by a company is to be demonstrated (Regulation 6). The profit and loss account is to comply with that Schedule and to be prepared in accordance with Form 16 (Regulation 7).

Additional information is required to be given in respect of the general business written by a company (Schedule 2). A revenue account, Form 20, is required in respect of the total general business and separately in respect of each of the accounting classes classified in Regulation 3 (Regulation 8(a)). Further information regarding premiums, claims and expenses, analysed by accounting class, risk group and geographical area, is required to be given in accordance with Schedule 2 (Regulations 9 to 13).

Additional information is required in respect of general business reinsurance. A summary of the general business reinsurance arrangements of a company is to be given in Form 30 (Regulation 23). Information is required about any reinsurer to which the reporting company has ceded a significant amount of its general business (Regulations 17 and 18). Information is also required about any insurance company which has provided a significant amount of the general business reinsurance accepted by the reporting company (Regulations 19 and 21).

Information required in respect of long-term business is to comply with Schedule 3. The revenue account in respect of that business is required to be prepared in accordance with Form 40 and to be supported by the further analyses of premium income, expenses, assets and new business in Forms 41 to 51 (Regulation 15). Separate Forms are required in respect of ordinary long-term business and industrial assurance business and for each fund or part of a fund maintained by a company.

The abstract of the actuary's report is to comply with Schedule 4 and the statement of long term business of a company is to comply with Schedule 5 (Regulation 24). The qualifications to be possessed by the appointed actuary of a company and by its auditors are prescribed (Regulations 28 and 30).

The Regulations require certificates, complying with Parts I and II of Schedule 6, to be given by the directors, or other appropriate persons, and by the appointed actuary (Regulation 26). The report of the auditors is to be in the form set out in Part III of that Schedule (Regulation 27).

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