

## SCHEDULE 4

### ABSTRACT OF VALUATION REPORT PREPARED BY THE APPOINTED ACTUARY

*(Forms 46 to 61)*

All the Forms included in the part of the return to which this Schedule relates (Forms 46 to 49, 51 to 58, 60 and 61) are to be laid out as shown in the Schedule, except that the instructions to Forms need not be reproduced.

For the purposes of this Schedule—

- (a) the “report period” means the period from the date to which the latest previous investigation under section 18 of the Act related to the valuation date (as defined in paragraph 1 below);
- (b) the provisions of paragraph 1(2) and paragraphs 3 to 7 of Schedule 1 and paragraph 3 of Schedule 3 above shall, unless otherwise provided, apply; and
- (c) boxes marked “UK/OS” shall be completed by the insertion of “UK” for UK contracts and “OS” for overseas contracts.

All amounts in the Forms shall be shown in sterling to the nearer £1,000 except valuation unit prices which shall be shown to the accuracy used in the valuation. Yields shall be shown as percentages to two decimal places.

The following information shall be given, the answers being numbered to accord with the numbers of corresponding paragraphs of this Schedule.

1. The date to which the investigation relates (the “valuation date”).
2. The date to which the latest previous investigation under section 18 of the Act related.
3. A statement that the valuation has been made in conformity with regulation 64 of the Insurance Companies Regulations or, where this was not the case, such qualification, amplification or explanation as necessary.
- 4.—(1) Subject to sub-paragraph (2) below, for each category of non-linked contract which—
  - (a) comprises accumulating with-profits policies, a full description of the benefits, including—
    - (i) the circumstances in which, and the method by which, an adjustment to the identifiable current benefit attributable to a policy might be made on the payment of any claim, including by full or partial surrender, or in determining the amount of any charges deducted from the policy;
    - (ii) where the discounted value of the liability in respect of current benefits including vested bonuses shown in column 12 of Form 52 is less than the full amount of the current benefit shown in column 11 and the discounted value assumes the exercise of any discretionary adjustments of the type referred to in sub-paragraph (a)(i) above, a general description of such adjustments made during the report period;
    - (iii) any guaranteed investment returns or bonus rates;
    - (iv) any guaranteed surrender values; and
  - (v) any material options;
  - (b) comprises policies (other than those included in sub-paragraph (a) above) which provide for benefits to be determined on the basis of interest accrued (at a rate to be determined from time to time) in respect of premiums paid, a full description of the benefits, including—

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- (i) the method used to calculate surrender values;
  - (ii) any guaranteed investment returns;
  - (iii) rates of interest applied during the report period;
  - (iv) any guaranteed surrender values; and
  - (v) any material options;
  - (c) does not fall within sub-paragraph (a) or (b) above, and which is not sufficiently described by the entry in column 1 of Form 51, a full description of the benefits, including any premium rate guarantees and material options.
- (2) Information required under sub-paragraph (1) above need not be provided for any category of contract—

- (a) where no contracts were effected by the company during the report period; and
- (b) which has been included in Form 51 or Form 52 under the miscellaneous headings specified in instruction 8 (vi) or 8 (x) to Forms 51, 52, 53 and 54.

**5.—(1)** Subject to sub-paragraph (3) below, for each category of linked contract—

- (a) the name given to that category;
- (b) the type of contract, classified according to the categories set out in instructions 3 to 8 of the instructions for completion of Forms 51, 52, 53 and 54;
- (c) a statement of the frequency of premiums;
- (d) a brief description of the benefits under the contract, including any eligibility to participate in profits, any guarantees and any material options;
- (e) details of any guaranteed investment returns;
- (f) a description of the way in which the company recovers out of policies its costs (including acquisition expenses and commission, renewal expenses and commission and the costs attributable to the provision of policy benefits). Where the policy provides for the allocation of units, the annual rate of any management charges shall be given. Where the amount of premiums deemed to be invested after allowing for the effect of any charges is greater than the amount of the premiums, an explanation shall be given;
- (g) details of any restrictions on increases in charges;
- (h) the method used to calculate surrender or transfer values;
- (i) whether benefits are (or may be) determined (whether wholly or in part) by reference to the value of an internal linked fund, or to the value of assets or an index. Where the link is to the value of assets or an index, those assets or that index shall be specified and details of the relationship between their value and benefits payable to policyholders shall be given;
- (j) a brief description of any other features of the contract not disclosed above which are material to the method and basis of valuation;
- (k) whether the contract was open to new business in the year to the valuation date; and
- (l) any increases in the rates of charges applied generally to contracts during the report period, including charges for the provision of policy benefits met by the cancellation of units notionally allocated to contracts.

(N.B. Where the terms and conditions and the method and basis for determining the amount of the long term liabilities are not materially different for a number of categories of contract, only one description need be given pursuant to this sub-paragraph, provided that the name of each such category is given in the company's response to sub-paragraph (a) above).

(2) For each category of linked contract which contains a with-profits option, the information required by paragraph 4(1)(a) above shall also be given.

(3) Information required under sub-paragraphs (1)(a) to (k) and (2) above need not be provided for any category of contract—

- (a) where no contracts were effected by the company during the report period; and
- (b) which has been included under the miscellaneous heading in Form 53 or 54.

(4) A description of the method, or if there is more than one method of the methods and the types of unit to which each applies, used for the creation and cancellation of units in internal linked funds and determining unit prices for the allocation of units to, and the cancellation of units from, policies.

(5) A description of the method, or if there is more than one method of the methods and the types of unit to which each applies, used to determine the provision for tax on realised and unrealised capital gains and the percentage or percentages of these gains deducted or provided for during the report period.

(6) Wherever units of the type referred to in paragraph 5 of Part I of Schedule 10 to the Insurance Companies Regulations<sup>(1)</sup> are held by an internal linked fund, or where property linked benefits are linked to such units, the rate of discount, commission or other allowance made to the insurance company on the purchase, sale or holding of units and the extent to which the policy holder benefits from such discount, commission or other allowance.

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

- (a) the method by which account has been taken of derivative contracts or contracts or assets having the effect of derivative contracts in the determination of the amount of the long term liabilities;
- (b) the method by which due regard has been given to the reasonable expectations of policyholders, as required by regulation 64 of the Insurance Companies Regulations, and by which account has been taken of the custom and practice of the company in the manner and timing of the distribution of profits or the grant of discretionary additions over the duration of each policy, as required by regulation 65(6) of the Insurance Companies Regulations;
- (c) where the net premium method has been used, whether and to what extent it has been modified, for what purposes any such modification has been made and whether any modifications on account of zillmerising conform to regulation 68 of the Insurance Companies Regulations;
- (d) whether any negative reserves arose and the steps taken to ensure that no contract of insurance was treated as an asset, as required by regulation 73 of the Insurance Companies Regulations;
- (e) whether any specific reserve has been made for future bonuses and, if so, at what rate or rates;
- (f) the basis of the provision made for any prospective liability to taxation on unrealised capital gains;
- (g) in the case of linked contracts and contracts falling within sub-paragraphs (a) and (b) of paragraph 4(1) above, the basis of the reserve made for any investment performance guarantees; and
- (h) the basis of the reserve made for any guarantees and options (other than investment performance guarantees included in sub-paragraph (g) above).

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(1) S.I.1994/1516.

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(2) For the purposes of this paragraph where, in determining the provisions referred to in sub-paragraph (f) above or the reserves referred to in sub-paragraph (7) or (8) of paragraph 7 below, account has been taken of the fact that the fund has been brought into Form 58 at book value in accordance with regulation 45(6) of the Insurance Companies Regulations, that fact should be stated.

7.—(1) Unless shown in Form 51, 52, 53 or 54, the rates of interest and tables of mortality and morbidity assumed in the valuation of each category of contract.

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

(3) A general description of how the tables of mortality and morbidity assumed in the valuation of the various categories of contract have regard to the State of the commitment.

(4) Details of any allowance made for future reductions in the rates of mortality in the tables of mortality assumed in the valuation of annuity contracts.

(5) Details of any allowance made, and the amount of any reserve held, for any possible detrimental impact of significant changes in the incidence of disease or developments in medical science on the mortality and morbidity experience of the company in the tables of mortality and morbidity assumed in the valuation of contracts.

(6) A description of all the scenarios of future changes in the value of assets which have been tested in order to take account of the nature (including currency) and terms of the assets held in determining the amount of the long term liabilities in accordance with regulation 75 of the Insurance Companies Regulations.

(7) The amount of any reserve made pursuant to regulation 75(a) of the Insurance Companies Regulations, together with a brief description of the method used and assumptions made to calculate any such reserve.

(8) In respect of that scenario described under sub-paragraph (6) above which produces the most onerous requirement (whether or not a reserve is thereby required), the amount of any reserve made pursuant to regulation 75(b) of the Insurance Companies Regulations, together with—

- (a) a description of the changed assumptions made (other than the changed interest rate stated in Form 57) in calculating such requirement;
- (b) a brief description of the method used to calculate such requirement; and
- (c) resulting from the application of such changed assumptions—
  - (i) the change in the aggregate amount of the long term liabilities; and
  - (ii) the aggregate amount by which the assets allocated to match such liabilities in the scenario have changed in value from the amount of those assets shown in Form 13.

(9) A general description of how the rates of interest assumed in the valuation of the various categories of contract with liabilities denominated in currencies other than sterling have taken into account the currency of the liabilities.

8. 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 (as shown in column 8 of Form 51 or column 10 of Form 52);
- (b) the method by which a reserve has been 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 made of the adequacy of the method used;

- (d) where, in valuing contracts falling within the circumstances described in regulation 67(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 66 to 75 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, in that case, shall be specified by the actuary in the abstract.

**9.** For each category of linked contract—

- (a) all assumptions made in calculating the valuation net liability in columns 12 and 13 of Forms 53 and 54; and
- (b) where an explicit reserve 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 71(1) of the Insurance Companies Regulations.

**10.**—(1) The assumed levels of inflation of expenses and the bases used in the valuation to allow for such future inflation.

(2) The aggregate amount, grossed up for taxation where appropriate, arising during the twelve months after the valuation date from implicit and explicit reserves made in the valuation to meet expenses in fulfilling contracts in force at the valuation date, and a general description of the sources of such amounts.

(3) The method and basis of calculation of the requirement (whether or not a reserve is thereby required) in respect of the expenses of continuing to transact new business during the twelve months following the valuation date and the amount of the reserve so calculated.

(4) The method and basis of calculation of the requirement (whether or not a reserve is thereby required) to provide for the costs of closure to new business, if the company were to cease to transact new business twelve months after the valuation date and the amount of the reserve so calculated.

**11.**—(1) A schedule of the sum of the mathematical reserves (other than liabilities for property linked benefits) and the liabilities in respect of the deposits received from reinsurers as shown in Form 14, analysed by reference to the currencies in which the liabilities are expressed to be payable, together with the value of the assets, analysed by reference to currency, which match such liabilities.

(2) In the schedule required by sub-paragraph (1) above, liabilities totalling up to 2 per cent. of the total required to be analysed may be grouped together as “other currencies”, and the assets matching those liabilities need not be analysed provided that the proportion of such liabilities which are matched by assets in the same currency is stated.

**12.**—(1) For long term business 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 report period—

- (a) the aggregate of premiums payable by the company to all such reinsurers (sub-divided according to financial years, if appropriate) and the aggregate amount deposited at the valuation date under any deposit back arrangement; and

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- (b) the amount of any such premiums payable by the company to reinsurer with whom the company is connected and the aggregate amount deposited at the valuation date under any deposit back arrangement.
- (2) For each treaty of reinsurance where the company is the cedant and under which business is in force at the valuation date—
- (a) the name of the reinsurer;
  - (b) whether the reinsurer is authorised to carry on insurance business in the United Kingdom;
  - (c) whether the company and the reinsurer are connected;
  - (d) an indication of the nature and extent of the cover give under the treaty;
  - (e) the premiums payable by the company under the treaty during the report period;
  - (f) the amount deposited at the valuation date in respect of the treaty under any deposit back arrangements;
  - (g) 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
  - (h) whether the treaty is closed to new business.
- (3) For each financing arrangement—
- (a) the amount of any undischarged obligation of the company and a brief description of the conditions for the discharge of such obligation; and
  - (b) a description of how, if at all, all such undischarged obligations have been taken into account in the valuation.
- (4) 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;
  - (b) “financing arrangement” means any contract entered into by the company, in respect of contracts of insurance effected by the company, which has the effect of increasing the amount of assets included at line 34 of Form 9 above, representing assets of the company which are available to meet its required minimum margin for long term business, and which includes terms for—
    - (i) the transfer of assets to the company or the creation of a debt to the company (or both); and
    - (ii) either an obligation for the company to return (with or without interest) some or all of such assets or a provision for the diminution of such debt, in each case, in specified circumstances; and
  - (c) paragraphs (1), (2) and (3)(a) of regulation 22 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.
- 13.** Where any rights of any policy holders 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; and
  - (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.
- 14.—(1)** The principles on which the distribution of profits among policy holders and shareholders is based as described in any of the following documents—

- (a) the constitution of the company;
  - (b) board resolutions of the company;
  - (c) any policy issued by the company;
  - (d) any advertisement issued by or on behalf of the company;
  - (e) any document required to be issued by any regulatory body authorised under the Financial Services Act 1986(2); and
  - (f) any other relevant document.
- (2) A broad statement of the company's aims in relation to the distribution of profits among policy holders, including its aims in relation to—
- (a) policies which mature or are surrendered and claims arising by death;
  - (b) the appropriate and equitable treatment of groups of participating policies; and
  - (c) smoothing.
- (3) A description of the methods used in order to ensure that the aims described in sub-paragraph (2) above are achieved.
- (4) Subject to sub-paragraph (5) below, if different principles or bonus policies apply to different categories of with-profits policies issued by the company, the information in sub-paragraphs (1) to (3) above shall be given in respect of each category.
- (5) Categories of with-profits policies which, apart from this sub-paragraph, would require separate information in accordance with sub-paragraph (4) above need only be listed under this sub-paragraph, and the information in sub-paragraphs (1) to (3) need not be supplied, provided that—
- (a) the aggregate amount of established surplus allocated to policy holders in all such categories is less than 10 per cent. of the aggregate amount of established surplus allocated to all policy holders (as reported at line 46 of Form 58);
  - (b) the amount of established surplus allocated to policy holders in any one such category is less than 5 per cent. of the aggregate amount of established surplus allocated to all policy holders (as reported at line 46 of Form 58); and
  - (c) none of the categories was introduced during the report period.
- 15.** 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, together with—
- (a) 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, specimen rates at 5-year intervals of original term or duration, as the case may be;
  - (b) where the rates of bonus allocated depend on the age of the life assured, specimen rates at 10-year intervals of age;
  - (c) where the rates of bonus allocated depend on the date of each previous premium payment, specimen rates at 5-year intervals of time since the premium was paid, and for premiums paid in each of the 5 years ending with the report period; and
  - (d) in all other cases, full details of the rates of bonus allocated.

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

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(2) 1986 c. 60.

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**16.** A statement of the practice regarding any bonus payments (in addition to those for which the company has become contractually liable) to be made on claims arising in the period up to the next investigation, including the basis of calculation and the form in which the bonus is payable, together with—

- (a) where the rates of bonus depend on the original term of the contract or on the period of years a contract has been in force, specimen rates at 5-year intervals of original term or duration, as the case may be;
- (b) where the rates of bonus depend on the age of the life assured, specimen rates at 10-year intervals of age;
- (c) where the rates of bonus depend on the date of each previous premium payment, specimen rates at 5-year intervals of time since the premium was paid, and for premiums paid in each of the 5 years ending with the report period; and
- (d) in all other cases, full details of the rates of bonus.

(N.B. Where the rates of bonus depend on a formula or a series of formulae, then the formula or formulae should be listed instead of the specimen rates. Wherever appropriate, rates of bonus are to be expressed as a fraction of the attribute of the contract to which they are related, e.g. as rates per £1,000 of the sum assured and existing bonuses.)

**17.** Separate statements in the form set out in Forms 46 and 46A summarising changes in ordinary long-term and industrial assurance business for all non-group contracts. For group contracts only the number of contracts in force at the end of the report period is to be given in a supplementary note to the appropriate statement.

**18.** Separate statements in the form set out in Forms 47 and 47A showing an analysis of new ordinary long-term and industrial assurance business.

**19.—(1)** Separate statements of assets covering long term liabilities (other than assets held to match property linked or index linked liabilities) in the form set out in Forms 48 and 49 in respect of each fund or group of funds for which separate assets are appropriated.

(2) A brief description of the extent to which any of the amounts recorded in Form 48 would be changed if assets which the company had a right or obligation to acquire or dispose of under derivative contracts outstanding at the end of the financial year (being, in the case of options, only those options which it would have been prudent to assume would be exercised) had been so acquired or disposed of.

(3) A brief description of how different the information provided pursuant to sub-paragraph (2) above would have been if such options as were outstanding at the end of the year had been exercised in such a way as to change the amounts referred to in that paragraph to the maximum extent.

(4) A brief description of how different the information provided pursuant to sub-paragraphs (2) and (3) above would have been if, instead of applying to contracts outstanding at the end of the financial year, those sub-paragraphs had applied to derivative contracts outstanding at such other time during the financial year as would have changed the amounts referred to in those sub-paragraphs to the maximum extent.

**20.** Separate statements in the form set out in Forms 51, 52, 53 and 54 and separate analyses of unit liabilities in the form set out in Forms 55 and 56 in respect of each separate fund or part of a fund for which a surplus is determined under section 18 of the Act.

**21.—(1)** Separate statements in the form set out in Form 57 for each fund or group of funds for which separate assets are appropriated in respect of all long term liabilities except—

- (a) the unit liabilities in respect of property linked benefits as shown in column 12 of Form 53;



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- (b) the investment liabilities in respect of index linked benefits as shown in column 12 of Form 54; and
  - (c) any reserve in respect of provisions made for tax on unrealised capital gains in arriving at the valuation price of internal linked funds.
- (2) A general description of the method by which the yield on assets other than equity shares and land was adjusted in accordance with regulation 69(7) of the Insurance Companies Regulations.
- (3) For assets which are equity shares or land, a description of the categories into which such assets were divided for the purposes of regulation 69(7) of the Insurance Companies Regulations, together with the method and basis by which the yield on such assets was adjusted in accordance with that regulation.
- 22.** 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.
- 23.** A statement 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, shall be given.)

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Returns under Insurance Companies Legislation

Form 46

**Long term business : Summary of changes in ordinary long term business**

Name of company

Global business/UK branch business/EEA branch business

United Kingdom business/Overseas business

Non-linked/Linked

Financial year ended

		Company registration number	GL/UK/CM	Period ended			Units	UK/OS	N/L/N
				day	month	year			
		R46					£000		
		Life assurance and general annuity		Pensions business		Permanent health		Other business	
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums
		1	2	3	4	5	6	7	8
In force at beginning of year	11								
New business and increases	12								
Net transfers and other alterations 'on'	13								
Total 'on' (12+13)	19								
Deaths	21								
Other insured events	22								
Maturities	23								
Surrenders	24								
Forfeitures	25								
Conversions to paid-up policies for reduced benefits	26								
Net transfers, expiries and other alterations 'off'	27								
Total 'off' (21 to 27)	29								
In force at end of year (11+19-29)	39								

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**Instructions for completion of Form 46**

1. Information is to be gross of reinsurance ceded and shall be provided separately for United Kingdom business and overseas business, and in each case for non-linked and linked contracts.
2. The box marked NL/LN shall be completed by the insertion "LN" for a linked contract, and "NL" for a non-linked contract, as defined in Regulation 3.
3. The figures for annual premiums shall include repeated or recurrent single premiums where the level of premium is defined.
4. For hybrid linked contracts, movements between linked and non-linked business shall be shown in lines 13 and 27 as appropriate.
5. Only claims payments which result in the termination of a contract providing cover for other insured events should be shown in line 22.

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**Form 46A**

Returns under Insurance Companies Legislation

**Long term business : Summary of changes in industrial assurance business**

Name of company

Global business

United Kingdom business/Northern Ireland business

Financial year ended

		Company registration number	Period ended			Units	UK/NI
			day	month	year		
		R46A				£000	
		Paying		Paid up			
		No of policies	Annual premiums	No of policies			
		1	2	3			
In force at beginning of year		11					
Taken up during year	Weekly business	12					
	Monthly business	13					
Converted to paid-up policies during year		14					
Total 'on'		19					
Discontinued during year by	Deaths	21					
	Maturities	22					
	Surrenders for cash	23					
	Terminations by return of premiums	24					
	Conversions to paid-up policies for full sums assured	25					
	Conversions to paid-up policies for reduced sums assured	26					
	Forfeitures without grant of paid-up policy or cash surrender	27					
Total 'off'		29					
In force at end of year		31					

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**Instructions for completion of Form 46A**

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. The box marked UK/NI shall be completed by the insertion of "UK" for business carried on in the United Kingdom, and "NI" for business carried on in Northern Ireland.
3. Policies discontinued by return of premiums on death of assured shall be included in line 21 and not in line 24.
4. Paid-up policies which are written off shall be included in line 21 in the case of whole life policies and line 22 in the case of endowments.



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**Instructions for completion of Form 47**

1. New business shall be shown gross of reinsurance ceded and shall include increases to premiums on existing policies, and in dealing with such increases, columns 2 and 5 shall be left blank.
2. Single premium contracts shall consist of those contracts under which there is no expectation of continuing premiums being paid at regular intervals. Additional single premiums paid in respect of existing individual contracts shall be included.
3. Regular premium contracts shall include those contracts under which premiums are payable at regular intervals during the policy year, including repeated or recurrent single premiums where the level of premium is defined.
4. Information shall be shown separately and totalled within each section in the sequence specified below :
  - (i) United Kingdom direct written business
  - (ii) United Kingdom reinsurance accepted
  - (iii) overseas direct written business
  - (iv) overseas reinsurance accepted
5. The information shall be shown separately and totalled within each type of business in the sequence specified below:
  - (i) life assurance and general annuity business
  - (ii) pension business
  - (iii) permanent health business
  - (iv) other business
6. The information is to be further analysed and sub-totalled in the sequence specified below:
  - (i) accumulating with-profits policies
  - (ii) non-linked with-profits policies
  - (iii) non-linked non-profit policies
  - (iv) index linked contracts
  - (v) other linked contracts

and where a policy falls within more than one of the above categories, it shall be placed in the first appropriate category.

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7. Within each sub-division required under paragraphs 5 and 6 above, 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) permanent health insurance
  - (x) capital redemption assurance
  - (xi) annuity certain
  - (xii) group pension
  - (xiii) group life
  - (xiv) group permanent health
  - (xv) other group (to be specified)
8. In the case of group contracts, the information to be given is to relate to new contracts and increments under existing contracts. The amount of the increment under an existing contract shall be taken to be the increase in the annual premium shown in Form 51, 52, 53 or 54 as appropriate, over the previous level shown in those Forms. Decreases in any year for an existing contract are to be ignored.



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Returns under Insurance Companies Legislation

Form 47A

**Long term business : Analysis of new industrial assurance business**

Name of company

Global business

United Kingdom business/ Northern Ireland business

Financial year ended

		Company registration number	Period ended			Units	UK/NI
		R47A	day	month	year	£000	
		1	2	3	4		
		Whole life (including joint life)	Endowment assurance (including joint life)	(See instruction 2)	Other tables		
Number of new assurances	Weekly business	11					
	Monthly business	12					
Sums assured	Weekly business	13					
	Monthly business	14					
Annual premiums	Weekly business	15					
	Monthly business	16					

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

**Instructions for completion of Form 47A**

1. Separate forms shall be prepared in respect of business carried on in the United Kingdom and in Northern Ireland. The box marked UK/NI shall be completed by the insertion "UK" for business carried on in the United Kingdom, and "NI" for business carried on in Northern Ireland.
2. If any table other than those shown in columns 1 and 2 (e.g. 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' and the amount of the recurring payment shall be shown separately in brackets.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Returns under Insurance Companies Legislation

Form 48

**Long term business : Expected income from admissible assets not held to match liabilities in respect of linked benefits**

Name of company

Global business/UK branch business/EEA branch business

Financial year ended

Category of assets

		Company registration number	GL/UK/ICM	Period ended			Units	Category of assets
		R48		day	month	year	£000	
Type of asset			Value of admissible assets as shown on Form 13	Expected income from admissible assets	Yield %			
			1	2	3			
Land and buildings		11						
Fixed interest securities	Approved securities	12						
	Other	13						
Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16						
Loans secured by mortgages		17						
All other assets	Producing income	18						
	Not producing income	19						
Total (11 to 19)		29						

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

#### Instructions for completion of Form 48

1. Where Form 13 is for the same fund or group of funds the entry at

48.11.1 shall equal 13.11.1  
 48.12.1 shall equal 13.45.1 + the appropriate part of 13.84.1  
 48.13.1 shall equal 13.46.1 + the appropriate part of 13.84.1  
 48.14.1 shall equal 13.47.1 + the appropriate part of 13.84.1  
 48.15.1 shall equal 13.42.1 +13.48.1 + the appropriate part of 13.84.1  
 48.16.1 shall equal 13.41.1 +13.43.1  
 48.17.1 shall equal 13.50.1  
 48.29.1 shall equal 13.87.1 +13.89.1 -13.58.1 - 13.59.1

2. 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 corresponding to those allocated on completion of Form 13.
3. The appropriate part of the entry at 13.84.1 to be included in lines 12 to 15 of this form is that part which represents accrued interest on assets included in the relevant line of this form. The amounts so included in each line shall be stated in a supplementary note.
4. 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 assumption that the assets will be held throughout the 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 69(5) of the Insurance Companies Regulations 1994). The expected income shown in this Form shall be that determined before any adjustments considered necessary because of regulation 69(7).
5. 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.
6. 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 in a supplementary note.
7. The entries at 48.12.3, 48.13.3, 48.14.3 and 48.15.3 shall be equal to 49.19.2, 49.29.2, 49.19.5 and 49.29.5 respectively. The yields to be inserted in column 3 for other categories of asset shall be the running yields. The entry at 48.29.3 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.
8. Where the yield in column 3 for a type of asset shown in line 17, 18 or 19 above (assumed to be zero for assets in line 19) is significantly different from the weighted average of the yields for each asset of that type determined in accordance with regulation 69(6) of the Insurance Companies Regulations 1994, then the latter yield figure shall be shown in a supplementary note. For this purpose, the weighted average of the yields means an average yield weighted by the value of each asset of that type as entered in column 1.
9. Where an entry at 13.87.1 has resulted from excess exposure to a counterparty or excess concentration with a number of counterparties, the aggregate value of the assets of the company giving rise to exposure to such counterparties shall be stated in a supplementary note, together with the expected income from those assets.

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Returns under Insurance Companies Legislation

Form 49

**Long term business : Analysis of admissible fixed interest and variable yield securities not held to match liabilities in respect of linked benefits**

Name of company

Global business/UK branch business/EEA branch business

Financial year ended

Category of assets	R49	Company registration number	GLAUKCM	Period ended			Units	Category of assets
				day	month	year		
£000								
Redemption period in years		Value of admissible assets as shown on Form 13 1	Gross redemption yield % 2	Value of admissible higher yielding assets 3		Value of admissible assets as shown on Form 13 4	Gross redemption yield % 5	Value of admissible higher yielding assets 6
One year or less	11							
More than one year but not more than five years	12							
More than five years but not more than ten years	13							
More than ten years but not more than fifteen years	14							
More than fifteen years but not more than twenty years	15							
More than twenty years but not more than twenty five years	16							
More than twenty five years	17							
Irredeemable	18							
Total (11 to 18)	19							
One year or less	21							
More than one year but not more than five years	22							
More than five years but not more than ten years	23							
More than ten years but not more than fifteen years	24							
More than fifteen years but not more than twenty years	25							
More than twenty years but not more than twenty five years	26							
More than twenty five years	27							
Irredeemable	28							
Total (21 to 28)	29							

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**Instructions for completion of Form 49**

1. 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 corresponding to those allocated on completion of Form 13.
2. The gross redemption yield in columns 2 and 5 for each asset shall be calculated as in regulation 69(3), (4) and (6) of the Insurance Companies Regulations 1994, leaving out of account any adjustment considered necessary because of regulation 69(7). 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 columns 1 and 4 respectively.
3. The value of admissible higher yielding assets to be shown in columns 3 and 6 shall be the value of admissible assets shown in Form 13 where the gross redemption yield on those assets exceeds the gross redemption yield shown in columns 2 and 5 respectively by at least 1.5%.
4. Where securities may be redeemed over a period at the option of the guarantor or the 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 supplementary note shall be provided explaining what assumption has been made.
5. The entries at 49.19.1, 49.19.2, 49.19.4, 49.19.5, 49.29.1, 49.29.2, 49.29.4 and 49.29.5 shall be equal to the values at 48.12.1, 48.12.3, 48.14.1, 48.14.3, 48.13.1, 48.13.3, 48.15.1 and 48.15.3 respectively.
6. The entries at 49.19.2, 49.19.5, 49.29.2 and 49.29.5 shall be the weighted average of the yields in columns 2 and 5 as appropriate for lines 11 to 18 and 21 to 28 respectively, where the weight given to each yield is the value shown in columns 1 and 4 respectively.

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Returns under Insurance Companies Legislation

Form 51

**Long term business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)**

Name of company

Global business/UK branch business/EEA branch business

United Kingdom business/Overseas business

Financial year ended

Type of business

Category of surplus

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves																									
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums																										
												2	3	4	5	6	7	8	9	10	11	12														
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> </tr> <tr> <td colspan="4" style="text-align: center;">R51</td> <td colspan="4"></td> <td colspan="4" style="text-align: center;">£000</td> <td></td> </tr> </table>																								R51								£000				
R51								£000																												

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Returns under Insurance Companies Legislation

Form 52

**Long term business : Valuation summary of accumulating with-profit policies**

Name of company

Global business/UK branch business/EEA branch business

United Kingdom business/Overseas business

Financial year ended

Type of business

Category of surplus

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves																														
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Oversight and guarantees other than investment performance guarantees																															
															2	3	4	5	6	7	8	9	10	11	12	13	14	15																
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> <td style="width:15%;"></td> </tr> <tr> <td colspan="4" style="text-align: center;">R52</td> <td colspan="4"></td> <td colspan="7" style="text-align: center;">£000</td> </tr> </table>																														R52								£000						
R52								£000																																				

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**Instructions for completion of Forms 51, 52, 53 and 54**

1. Separate valuation summaries shall be completed in respect of each separate fund or part of a fund for which a surplus is determined. The name of the fund or part of a fund shall be shown against the heading "Category of surplus". The corresponding code box shall contain code numbers allocated sequentially beginning with code "11".
2. Separate totals for column 5 on Form 51 and columns 5, 6, and 7 on Forms 52, 53 and 54 shall be shown for sums assured, for annuities per annum and for other measures of benefit.
3. Information shall be shown separately and totalled for each of the following:
  - (i) United Kingdom business
  - (ii) overseas business
4. The information shall be shown on separate pages and totalled for each type of business in the sequence specified below.
  - (i) life assurance and general annuity business
  - (ii) pension business
  - (iii) permanent health business
  - (iv) other business
5. The box marked "Type of business" shall be completed by the insertion of "L&GA", "Pens", "PHI" or "Other" respectively for each of the types (i), (ii), (iii) and (iv) specified above.
6. The information is to be further analysed and sub-totalled for :
  - (i) direct written business
  - (ii) reinsurance accepted
  - (iii) reinsurance cededand totals net of reinsurance ceded are also to be shown.
7. The information shall be further analysed and sub-totalled within each basis of participation in profits in the sequence specified below:
  - (i) with-profits policies
  - (ii) non-profit policies
8. Within each subdivision required under paragraphs 4, 6 and 7 above the appropriate types of insurance from the following list shall be shown separately:
  - (i) whole life assurance
  - (ii) endowment insurance
  - (iii) pure endowment insurance
  - (iv) term assurance

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- (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) permanent health insurance
- (xii) capital redemption assurance
- (xiii) annuity certain
- (xiv) group pension
- (xv) group life
- (xvi) group permanent health
- (xvii) other group (to be specified)

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).

9. A further sub-division into each separate category of contract is required as follows :

Forms 51 and 52 - each category of contract which is valued on a different valuation basis;

Form 53 - 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.

Form 54 - each category of contract which provides different guarantees or options and each category of index. Where the link is to a proportion of an index each different proportion shall be treated as a different category.

10. Any contract which consists of a combination of different types of insurance, as described in instruction 8 above, 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 in a supplementary note.

11. For linked contracts with both property linked and index linked benefits, each benefit shall be shown on Form 53 or 54 as appropriate, and a note shall be attached describing the manner in which details relating to the number of contracts and the amounts of benefits, premiums and other liabilities have been treated. Where the number of contracts is overstated in aggregate, the amount of the overstatement shall be stated in a supplementary note.

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12. For linked contracts which are also accumulating with-profits policies, that part of the benefits which are with profits shall be shown on Form 52 and the remainder of the benefits on Form 53 and/or 54 as appropriate, and a note shall be attached describing the manner in which details relating to the number of contracts, and the amounts of benefits, premiums and other liabilities have been treated. Where the number of contracts is overstated in aggregate, the amount of the overstatement shall be stated in a supplementary note.
13. Reserves calculated on an aggregate basis (including reserves for taxation on capital gains, for investment performance guarantees or other special reserves) or adjustments shall be shown on separate lines in the mathematical reserves column and the particulars of such reserves or adjustments shall be specified.
14. 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 Forms 51, 52, 53 or 54, shall be shown on a separate valuation summary with appropriately modified column headings and the reason for the modification stated in a supplementary note.
15. Contracts of any description may be grouped together under any "miscellaneous" heading provided that the 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.



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**Instructions for completion of Form 55**

1. The box marked "category of surplus" shall be completed in accordance with instruction 1 of the instructions for completion of Forms 51, 52, 53 and 54.
2. Separate forms should be prepared in respect of internal linked funds and directly held assets. The box marked ILH/DHA shall be completed by the insertion of "ILH" for internal linked funds and "DHA" for directly held assets.
3. A separate line shall be used for each asset to which benefits are linked and each different type of unit of each internal linked fund. Columns 5, 6, 7, 8, 9 and 10 shall be sub-totalled for each fund link and totalled for all links.
4. The aggregate of the total figures shown for column 8 and 9 in each form prepared in respect of a separate fund or part of a fund shall equal the appropriate figure shown as the total of column 12 of Form 53.
5. For links to directly held assets, column 6 shall not be used.
6. For internal linked funds, the total of column 5 shall equal the total of column 8 of the summarised Form 43, and the total of column 6 shall equal the total of column 3 of the summarised Form 43.



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**Instructions for completion of Form 56**

1. The box marked "category of surplus" shall be completed in accordance with instruction 1 of the instructions for completion of Forms 51, 52, 53 and 54.
2. Assets and liabilities in column 2 shall be listed individually except that where a group of assets of similar type is held which is intended to mirror the performance of an index, a description of the type of assets held may be given. Liabilities shall be shown between round brackets and are to be fully described.
3. A separate sub-total of assets and liabilities shall be used for each index link. Links to different percentages of an index shall be treated as different index links.
4. For each index link, the sub-totalled values in column 2 shall match the appropriate entries in column 12 of Form 54 net of reinsurance ceded.
5. Assets and liabilities arising from derivative contracts (or contracts or assets which have the effect of a derivative contract) shall be shown separately. Amounts shall be shown net of variation margin in column 2 and gross of variation margin in column 3. Rights to recover assets transferred by way of initial margin shall not be shown on Form 56.
6. Where there is a liability to repay variation margin and there are no arrangements for netting of amounts outstanding or the arrangements would not permit the accounting of such amounts on a net basis in accordance with generally accepted accounting practice, it shall be so stated in a supplementary note.
7. Any provision for adverse changes shall be determined in accordance with regulation 61 of the Insurance Companies Regulations 1994 and shown in a supplementary note.

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Returns under Insurance Companies Legislation

Form 57

Long term business : Matching rectangle

Name of company

Global business/UK branch business/EEA branch business

Financial year ended

Sterling/Non sterling liabilities

Rate of interest

Type of business

With profits/Non profit

Category of assets

140

Company registration number	GL/UK/CM	Period ended			Units	Stg/NonStg	Rate of interest	L&GA/Pens/PHI/Other	WP/NP	Category of assets
		day	month	year						
R57					£000					
Type of asset notionally allocated		Value of asset notionally allocated	Risk adjusted yield %	Gross valuation interest rate %	Net valuation interest rate % (where appropriate)	Mathematical reserve or other liability, net of reinsurance				
		1	2	3	4	5				
Land and buildings		11								
Fixed interest securities	Approved securities	12								
	Other	13								
Variable yield securities (excluding items shown at line 16)	Approved securities	14								
	Other	15								
Equity shares and holdings in collective investment schemes		16								
Loans secured by mortgages		17								
All other assets	Producing income	18								
	Not producing income	19								
Total		29								
Total under resilience scenario		39								



**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

**Instructions for completion of Form 57**

1. 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 corresponding to those allocated on completion of Form 13.
2. Separate forms shall be prepared for sterling and non-sterling liabilities. The box marked "Stg/NonStg" shall be completed by the insertion of "Stg" for Sterling liabilities and "NonStg" for non-sterling liabilities.
3. Separate forms are required for with profit and non profit contracts within the following types of business
  - (i) life assurance and annuity business
  - (ii) pension business
  - (iii) permanent health business
  - (iv) other business

The box marked "L&GA/Pens/PHI/Other" shall be completed by the insertion of "L&GA", "Pens", "PHI" or "Other" respectively for each of the types (i), (ii), (iii) and (iv) specified above. The box marked "WP/NP" shall be completed by the insertion of "WP" for with profits policies or "NP" for non-profit policies both as defined in Regulation 3.

4. Separate forms shall be prepared for each rate of interest used in the valuation and may include all contracts valued at the same rate. The rate of interest shall be shown against the heading "Rate of interest" and in the corresponding code box.
5. The forms specified above shall exclude the liabilities described in paragraph 21(1) (a) to (c) of schedule 4, and must cover at least 90% of the remaining long term liabilities.

The balance of the remaining long term liabilities shall be shown in a separate form in which columns 3 and 4 may be left blank, and details of the contracts covered by the form shall be given in a note. The word "Balance" shall be shown against the heading "Rate of interest" and the corresponding code box shall contain "98".
6. A summary of all the separate forms shall be produced as a separate form in which columns 2, 3 and 4 may be left blank. The word "Total" shall be shown against the heading "Rate of interest" and the corresponding code box shall contain "99".
7. The risk adjusted yield in column 2 for each asset shall be calculated as in Regulations 69(3) to (6) of the Insurance Companies Regulations 1994, taking account of any adjustment considered necessary because of Regulation 69(7). Where a number of assets with different risk adjusted yields are held, the weighted average risk adjusted yield shall be calculated using as weights the value of the asset applicable for entry into column 1.
8. The value of each asset shown in column 1 shall be the value attributed to it in Form 13 and the assets will be grouped according to instruction 1 to Form 48 including adjustments in respect of accrued interest as required by that instruction.
9. Where the valuation has been carried out at a net rate of interest the figure in column 3 shall be the net rate grossed up at the corresponding effective rate of tax.
10. The mathematical reserve in column 5 will include any increase in reserve resulting from the bonus declaration for the year and shall be net of reinsurance ceded.
11. The entries shown at line 39 shall be those applicable to the scenario described in the answer to paragraph 7(8) of Schedule 4, and details of any material changes to the notional allocation of assets made in investigating that position shall be given in a supplementary note.

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Returns under Insurance Companies Legislation

Form 58

**Long term business : Valuation result and distribution of surplus**

Name of company

Global business/UK branch business/EEA branch business

Financial year ended

Company registration number      GL/UK/CM      Period ended  
 day      month      year      Units      Category of surplus

Category of surplus

R58						£000	
-----	--	--	--	--	--	------	--

Valuation result	Fund carried forward		11	
	Bonus payments made to policyholders in anticipation of a surplus		12	
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	
		Transfer to other funds/parts of funds	14	
	Net transfer out of funds/parts of funds (13+14)		15	
	Total (11+12+15)		16	
	Mathematical reserves for accumulating with profit policies		17	
	Mathematical reserves for other non linked contracts		18	
	Mathematical reserves for property linked contracts		19	
	Mathematical reserves for index linked contracts		20	
	Total (17 to 20)		21	
Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29		
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31	
	Transfers into fund/part of fund	Transfer from non-technical account	32	
		Transfer from other funds/parts of fund	33	
	Net transfer into fund/part of fund (32+33)		34	
	Surplus arising since the last valuation		35	
Total (31+34+35)		39		
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41	
	Allocated to policyholders by way of	Cash bonuses	42	
		Reversionary bonuses	43	
		Other bonuses	44	
		Premium reductions	45	
	Total allocated to policyholders (41 to 45)		46	
	Net transfer out of fund/part of fund		47	
	Total distributed surplus (46+47)		48	
Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49		
Total (48+49)		59		
Percentage of distributed surplus allocated to policyholders of fund/part of fund		61		
Corresponding percentage at three immediately previous valuations	Latest (year of valuation )	62		
	Earlier (year of valuation )	63		
	Earliest (year of valuation )	64		

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

**Instructions for completion of Form 58**

1. Separate statements shall be completed in respect of each separate fund or part of a fund for which a surplus is determined. The name of the fund or part of a fund shall be shown against the heading "Category of surplus". The corresponding code box shall contain code numbers allocated in accordance with instruction 1 in the instructions for completion of Forms 51, 52, 53 and 54.

The entry at line 11 shall be equal to the entry at line 59 in Form 40 for the relevant fund or 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 12 and 41. To the extent that it is the practice of the company to make special 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 44, and the actual amounts paid shall not appear at lines 12 and 41 at future valuations. An appropriate supplementary note shall identify 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 15 or line 34 (depending on the direction of the net transfer) leaving the other line blank. Corresponding entries shall be made in either the block comprising lines 13 and 14 or the block comprising lines 32 and 33, as appropriate.
4. Where the entry in line 14 or line 33 represents more than one transaction, each transfer shall be separately identified in a supplementary note.
5. Line 61 is line 46 expressed as a percentage of line 48.
6. For each fund/part of fund, the entry at line 18 shall equal the total liabilities shown in column 12 of Form 51, and the entries at lines 17, 19 and 20 shall equal the total liabilities shown in column 15 of Forms 52, 53 and 54 respectively.
7. The figure at lines 39 and 59 shall equal the figure at line 29.
8. The figure at line 47 shall equal the figure at line 15.

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Returns under Insurance Companies Legislation

Form 60

Long term business : Required minimum margin

Name of company

Global business/UK branch business/EEA branch business

Financial year ended

Company registration number	GL/UK/JCM	Period ended			Units
R60		day	month	year	£000

Relevant factor (Instruction 1)	Classes I, II and IX					Class III business with relevant factor of					Classes IV and VI					Classes VII and VIII business with relevant factor of					Total for all classes	
	4%	4%	1%	Nil	Total	4%	4%	1%	Nil	Total	4%	4%	1%	Nil	Total	4%	1%	The financial year	The previous year			
Mathematical reserves before distribution of surplus	11																					
Reserves for bonus allocated to policyholders	12																					
Reserves after deduction of reinsurance	13																					
Mathematical reserves after distribution of surplus	14																					
Reserves for bonus allocated to policyholders	15																					
Reserves after distribution of surplus	16																					
Ratio of 16 to 13 or 0.85 if greater (see Instruction 2)	17																					
Required margin of solvency - first result - (see 18 + 19e, 21, relevant factor)	19																					
Temporary assurances with required margin of solvency of 0.1%	21																					
Non-negative capital at risk before reinsurance (see Instruction 3)	22																					
Temporary assurances with required margin of solvency of 0.1%	23																					
For other assurances with required margin of solvency of 0.2%	23																					
Total (21 to 23)	29																					
Non-negative capital at risk after reinsurance (see Instruction 3)	31																					
Ratio of line 31 to line 29, or 0.50 if greater	32																					
Required margin of solvency - second result (see Instruction 4)	39																					
Sum of first and second results (19+39)	49																					
Required margin of solvency for supplementary accounts and business insurance and Class I business	51																					
Total required margin of solvency for long term business (49+51)	59																					
Minimum guarantee fund	61																					
Required minimum margin (greater of lines 59 and 61)	69																					

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

**Instructions for completion of Form 60**

1. The appropriate factors specified in regulation 18(2)(a) and 19(3) and (4) of the Insurance Companies Regulations 1994.
2. For a pure reinsurer, the factor of 0.85 shall be replaced by 0.50
3. Capital at risk shall be shown after distribution of surplus.
4. Line 39 equals line 32 x [(line 21 x 0.1% + line 22 x 0.15% + line 23 x 0.3%)] for Classes I, II and IX or line 32 x line 29 x 0.3% for Class III, VII and VIII.
5. Any additional mathematical reserves referred to in the supplementary note to Form 14 (made in accordance with instruction 4 to that Form) shall be included at columns 11 or 12, as appropriate.
6. For Class V business, the amount of the required margin of solvency shall be stated in a supplementary note to the form and shall be included in line 51.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Returns under Insurance Companies Legislation

Form 61

**Supplementary accident and sickness insurance : Calculation of required margin of solvency**

Name of company

Global business/UK branch business/EEA branch business

Financial year ended

		Company registration number	GLUK/CM	Period ended			Units
				day	month	year	£000
		R61					
				This financial year		Previous year	
				1		2	
Gross premiums written		11					
Premium taxes and levies (included in line 11)		12					
<b>Sub-total A (11-12)</b>		<b>19</b>					
Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure		21					
Division of Sub-total A (or adjusted Sub-total A if appropriate)	18% of amounts up to sterling equivalent of 10M ECU	22					
	16% of excess (if any) over 10M ECU	23					
<b>Sub-total B (22+23)</b>		<b>29</b>					
Claims paid		31					
Claims outstanding carried forward at end of this financial year		32					
Claims outstanding brought forward at beginning of this financial year		33					
<b>Sub-total C (31+32-33)</b>		<b>39</b>					
Amounts recoverable from reinsurers in respect of claims included in sub-total C		41					
<b>Sub-total D (39-41)</b>		<b>49</b>					
Required margin of solvency for supplementary accident and sickness insurance: Sub-total B x Sub-total D (or, if 0.5 is greater, x 0.5) Sub-total C		59					

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

**Instruction for completion of Form 61**

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