

Council Directive of 19 December 1991 on the annual accounts
and consolidated accounts of insurance undertakings (91/674/EEC)

SECTION 6

Special provisions relating to certain profit-and-loss-account items

Article 39

Non-life-insurance technical account: item I (6)

Life-assurance technical account: item II (7)

Bonuses and rebates, net of reinsurance

Bonuses shall comprise all amounts chargeable for the financial year which are paid or payable to policyholders and other insured parties or provided for their benefit, including amounts used to increase technical provisions or applied to the reduction of future premiums, to the extent that such amounts represent an allocation of surplus or profit arising on business as a whole or a section of business, after deduction of amounts provided in previous years which are no longer required.

Rebates shall comprise such amounts to the extent that they represent a partial refund of premiums resulting from the experience of individual contracts.

Where material, the amount charged for bonuses and that charged for rebates shall be disclosed separately in the notes on the accounts.