
 STATUTORY INSTRUMENTS

1980 No. 6

INSURANCE

**The Insurance Companies (Accounts and Statements)
Regulations 1980**

<i>Made</i> - - - -	3rd January 1980
<i>Laid before Parliament</i>	25th January 1980
<i>Coming into Operation</i>	1st January 1981

The Secretary of State, in exercise of his powers under sections 13, 14, 16, 17, 44, 85(1) and 86 of the Insurance Companies Act 1974(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 1980 and shall come into operation on 1st January 1981.

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 beginning on or after 1st January 1981.

(2) These Regulations do not apply to industrial assurance business in relation to the matters referred to in Regulations 8, 15 and 17 (revenue accounts and additional information under section 13 of the Act, abstracts and statements under section 14 of the Act).

(3) These Regulations do not apply to a Community company having its head office in a member State other than the United Kingdom in relation to 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 specified in paragraph 5 of Schedule 2 hereto;

“the Act” means the Insurance Companies Act 1974;

“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

(a) 1974 c. 49; the Insurance Companies Act 1974 has been modified by S.I. 1977/1552, 1977/1553 and 1978/720.

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 3(3) of the Insurance Companies (Valuation of Assets) Regulations 1976(a) to be left out of account for the purposes specified in Regulation 3(1) of those Regulations;

“appointed actuary” means the person appointed as actuary to a company under section 15 of the Act;

“the Authorisation Regulations” means the Insurance Companies (Authorisation and Accounts: General Business) Regulations 1978(b);

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

“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

(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 longer period 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

(a) S.I. 1976/87; amended by S.I. 1976/2039 and 1980/5.

(b) S.I. 1978/720.

(c) 1958 c. 45.

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

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 longer period 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, other than an excluded company, whose head office is in a member State;

“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;

“excluded company” means a company to which the Solvency Regulations do not apply by virtue of Schedule 1 thereto;

“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 an excluded company, whose head office is not in a member State;

“fund”—

(a) 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;

(b) in relation to long term business, means the amount standing to the credit of an account maintained in respect of either class of business in accordance with section 23 of the Act or in respect of any part of such business for which a separate surplus is established under section 25 of the Act;

“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” and “minimum guarantee fund” have the same meaning as in the Solvency 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;

“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 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 which provides property linked benefits (whether or not it also provides other benefits) 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;

“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 an insurance contract provides cover;

“permanent health contracts” means contracts falling within section 83(2)(b) of 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 contracts of the kind mentioned in section 83(2) of the Act, the amount of which is to be 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 in 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;

“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 the Insurance Companies (Valuation of Assets) Regulations 1976(a);

“the Solvency Regulations” means the Insurance Companies (Solvency: General Business) Regulations 1977(b);

“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

(a) S.I. 1976/87; amended by S.I. 1976/2039 and 1980/5.

(b) S.I. 1977/1553.

only after all other liabilities of the company, other than those in respect of share capital, 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.

(2) For the purposes of supplying any information under any Schedule hereto (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 general business shall, in relation to a Community company having its head office in a member State other than the United Kingdom, be taken to refer to general business carried on by it through an agency or branch in the United Kingdom and, in relation to an external company, be taken to refer to its entire general business and to any 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) relevant to general business of such a company shall be taken as referring to, or imposing the requirement in respect of—

- (a) accounts prepared in respect of general business carried on through an agency or branch in the United Kingdom, and
- (b) in the case of the external company, accounts separately prepared in respect of its entire business.

(4) In these Regulations any reference to a numbered Form is a reference to the Form bearing such number in the Schedules hereto.

Value of assets and amount of liabilities

4.—(1) 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, subject to paragraph (2) below, be the

value which that asset would have if valuation regulations were applicable, and

- (ii) in the case of a linked asset or of a liability of the company, the value or amount given shall be the value or amount of that asset or liability as determined in accordance with generally accepted accounting concepts, bases and policies or other generally accepted methods appropriate for insurance companies.

(2) Nothing in paragraph (1)(b)(i) above shall require a company which carries on long term business but does not carry on general business to take into account only to a specified extent any of its assets which are not long term business assets.

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 13(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 13(1) of the Act shall comply with the requirements of Schedule 1 hereto and shall be in Forms 10 to 15 completed (as may be appropriate) as specified in paragraphs (2) to (6) below.

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

(3) Forms 11 and 12 shall be completed by every company which carries on general business other than an excluded company, a Community company having its head office in a member State other than the United Kingdom and an external company in the accounts prepared in respect of its entire business.

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

(a) by every company 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 23 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 company except a Community company having its head office in a member State other than the United Kingdom in respect of its total assets other than long term business assets;

(c) by every Community company having its head office in a member State other than the United Kingdom which carries on general business in respect of its general business assets;

(d) by an external company in the accounts prepared in respect of 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 the other member States.

(5) Form 14 shall be completed by every company which carries on long term business.

(6) 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 13(1) of the Act shall comply with the requirements of Schedule 1 hereto and shall be prepared in Form 16.

Revenue account

8. The revenue account required to be prepared by every company under section 13(1) of the Act shall—

- (a) in the case of a company carrying on general business, comply with the requirements of Schedule 2 hereto and shall be in Form 20 so, however, that every such company shall prepare a separate account in that Form 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 ordinary long term business, comply with the requirements of Schedule 3 hereto and shall be in Form 40 so, however, that every such company shall prepare a separate account in Form 40 in respect of each ordinary long term business fund maintained by it.

Additional information on general business

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

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.

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 hereto—

(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, in the case of an external company, any Forms referred to above have been prepared in respect of its entire business no separate Forms need be prepared in respect of the business carried on by it through an agency or branch in the United Kingdom.

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;
- (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 hereto in respect of that business; and, in the case of a company which immediately before the coming into force of these Regulations prepared any statements pursuant to Regulations 11 and 12 of the Insurance Companies (Accounts and Forms) Regulations 1968(a), this proviso shall apply as if those statements were prepared pursuant to, and for the purposes of, Regulation 11 above.
- (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 hereto, 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.

13. Every company which has prepared any Forms under Regulation 11 above in a financial year which contain figures in a currency other than sterling shall prepare Form 36 in accordance with the requirements of Schedule 2 hereto.

14. The Forms prepared pursuant to Regulations 9, 11, 12 and 13 above shall be annexed to the documents referred to in Regulations 6, 7 and 8 above.

(a) S.I. 1968/1408; amended by S.I. 1975/1996, 1976/549, 1976/869, 1976/2040 and 1978/721.

Additional information on ordinary long term business

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

- (a) Forms 41 to 44, and
- (b) such of Forms 45 to 51 as are appropriate,

and each such Form prepared shall be annexed to the documents referred to in Regulations 6, 7 and 8 above.

Prescribed class of insurance business

16. General business is hereby prescribed as a class of insurance business for the purposes of section 16 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 hereto, prepare a statement of business of that class in Form 30.

Periodic actuarial investigation

17. For the purposes of section 14 of the Act—

- (a) the abstract of the report of the actuary on ordinary long term business shall comply with the requirements of Schedule 4 hereto and shall contain the information (together with Forms 55 to 58) specified in that Schedule;
- (b) the statement of ordinary long term business shall comply with the requirements of Schedule 5 hereto and shall contain the information (together with Forms 65 to 78) specified in that Schedule.

Certificates

18. 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 hereto which shall be signed by the persons specified in section 18(3)(a) of the Act; 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 hereto which shall be signed by the appointed actuary.

Audit and auditors' report

19. The documents referred to in Regulations 6, 7 and 8 above, and every statement, analysis, report or certificate annexed thereto pursuant to Regulations 14, 15 and 18(a) above, shall be audited by a person of the description prescribed under Regulation 21 below who shall make and annex to the documents aforesaid a report in accordance with the requirements of Part III of Schedule 6 hereto; and to any audit 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 these Regulations first apply; and
- (b) section 18(1) of the Companies Act 1976(b) shall apply as if the reference therein to “the holding company” were a reference to the insurance company.

Qualifications of an actuary

20.—(1) For the purposes of the definition of “actuary” in section 85(1) of the Act, it is hereby prescribed that a person qualified for appointment as an actuary under section 15 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 the coming into force of these Regulations, holds an appointment as actuary to a company by virtue of Regulation 15 of the Insurance Companies (Accounts and Forms) Regulations 1968 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.

Qualifications of an auditor

21. For the purposes of section 17 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 19 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 1976 prepared under section 1 of the Companies Act 1976.

Transitional provisions

22.—(1) Every document submitted to the Secretary of State pursuant to section 18 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 which it would have been and have the contents which it would have had if these Regulations had not been made.

(2) A company shall not be required to include in any account or balance sheet prepared in accordance with these Regulations any information relating

(a) 1967 c. 81.

(b) 1976 c. 69.

to the financial year of the company immediately preceding that financial year of the company to which these Regulations shall first apply by virtue of Regulation 2(1) hereof.

Revocations

23. The rules and regulations specified in column 1 of Schedule 7 hereto are hereby revoked to the extent mentioned in column 3 of that Schedule.

Reginald Eyre,
Parliamentary Under-Secretary of State,
Department of Trade.

3rd January 1980.

SCHEDULE 1

Regulations 6 and 7

BALANCE SHEET, PROFIT AND LOSS ACCOUNT (FORMS 10 to 16)

1. All the Forms included in the part of the return to which this Schedule relates (Forms 10 to 16) are to be laid out as shown in the 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" should be completed by inserting either—

- (a) "UK" in the case of a Form which is part of the returns in respect of general business carried on through an agency or branch in the United Kingdom prepared by a Community company having its head office in a member State other than the United Kingdom or by an external company; or
- (b) "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.

(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” has the same meaning as in Part III of Schedule 2 to the Insurance Companies (Valuation of Assets) Regulations 1976(a).

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

(a) S.I. 1976/87; amended by S.I. 1976/2039 and 1980/5.

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 supplementary 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.

INSTRUCTION FOR COMPLETION OF FORM 10

Line 31 should be completed as follows:

(a) in the case of global returns—

- (i) excluded company as calculated in accordance with section 4 of the Insurance Companies Act 1974
- (ii) Community company with head office in the United Kingdom as in Form 12 line 49
- (iii) external company as calculated in accordance with section 4 of the Insurance Companies Act 1974

(b) in the case of UK branch returns—

- (i) Community company with head office outside the United Kingdom Nil
- (ii) external company as in Form 12 line 49

Returns under Insurance Companies Legislation

Form 1

General business: Calculation of required solvency margin – first method

Name of Company

Global business/UK branch business

Financial year ended

		Company registration number	Global/UK	Period ended			Units	For official use
		F11		day	month	year	£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 EUA × 18/100	15					
		Excess (if any) over 10M EUA × 16/100	16					
	Health insurance	Up to and including sterling equivalent of 10M EUA × 6/100	17					
		Excess (if any) over 10M EUA × 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 solvency margin – second method

Name of Company

Global business/UK branch business

Financial year ended

		Company registration number	Global/UK	Period ended			Units	For official use
		F12		day	month	year	£000	
				The financial year 1	Previous year 2		Source	
				Form	Line	Column		
Reference period (No. of financial years) Insert "3" or "7" here		11						See Note below
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 EUA × 26/100	32					
		Excess (if any) over 7M EUA × 23/100	33					
	Health insurance	Up to and including sterling equivalent of 7M EUA × 26/300	34					
		Excess (if any) over 7M EUA × 23/300	35					
Sub-total G (32 + 33 + 34 + 35)		39						
Second result Sub-total G × $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if $\frac{1}{2}$ is a greater fraction, × $\frac{1}{2}$)		41						
First result		42						11 - 41
Margin of solvency (the higher of lines 41 and 42)		43						
Minimum guarantee fund		44						
Required solvency 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 should be stated and lines 11 to 41 ignored.

Returns under Insurance Companies Legislation

Analysis of admissible assets

Name of Company

Global business/UK branch business

Financial year ended

Business: Long Term/Other than Long Term

Category of Assets

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

Admissible assets		As at the end of the financial year.	As at the end of the previous year.
		1	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 banks, building societies, and deposits with local 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	
Insurance debts including those due from dependents and individuals	Premium income in respect of direct insurance and facultative reinsurance contracts accepted not yet paid to the company less commission payable thereon	51	
	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 quoted debentures (which must be included in line 13); debts due from dependents (which must be included in lines 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	
Debts except those which must be included in other lines	due from companies and unincorporated bodies of persons	63	
	due from individuals	64	
Total (41 to 66)	due from companies and unincorporated bodies of persons	65	
	due from individuals	66	
		69	

Form 13
(Sheet 3)

Returns under Insurance Companies Legislation

Analysis of admissible assets

Name of Company

Global business/UK branch business

Financial year ended

Business: Long Term/Other than Long Term

Category of Assets

Company registration number	Global/UK	Period ended day month year	Units	£000	For official use	
					Category of assets	Category of assets
F13		19			As at the end of the financial year 1	As at the end of the previous year 2
Admissible assets						
Shares in Building Societies and Industrial and Provident Societies						
					71	
Cash						
					72	
Computer equipment						
					81	
Other office machinery, furniture, motor vehicles and other equipment						
					82	
Life interests, reversionary interests and similar interests in property						
					83	
Liability of the company's shareholders to pay amounts on uncalled capital						
					84	
Linked assets						
					85	
Linked assets in internal linked funds (as shown in line 12 on Form 49)						
					86	
other linked assets						
					87	
Total of Sheet 1 (13.39)						
					91	
Total of Sheet 2 (13.69)						
					92	
Gross Total of admissible assets (71 to 92)						
					93	
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						
					94	
Amount included in line 93 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance						
					95	

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 debts due from related companies, other than those under contracts of insurance or reinsurance

INSTRUCTIONS FOR COMPLETION OF FORM 13

1 Long term business: Form 13 should be completed for the total long term business assets and for each fund or group of funds for which separate assets are appropriated. The word "Total" or the name of the fund should be shown against the heading "Category of assets". The corresponding code box should 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 should 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". Additionally, in the case of the UK branch return of an external company, Form 13 should be completed for the following categories of assets:

<i>Category</i>	<i>Code</i>
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

3 Linked assets should be included in lines 85 and 86 where appropriate and not in lines 11 to 84.

4 In line 83 "life interests, reversionary interests and similar interests in property" means those interests of the kind described in Regulation 13 of the Insurance Companies (Valuation of Assets) Regulations 1976.

Returns under Insurance Companies Legislation

Form 14

Long Term business liabilities and margins

Name of Company

Global business

Financial year ended

		Company registration number	Period ended			Units	For official use
		F14	GL	day	month	year	£000
				As at the end of the financial year 1	As at the end of the previous year 2		Source
						Form	Line
						Column	
Long Term business funds	Ordinary	11					40.16 (all funds)
	Industrial	12					
	Valuation deficiencies	13					
Claims admitted but not paid	Ordinary	14					
	Industrial	15					
Other insurance liabilities	Amounts due in respect of direct insurance and facultative reinsurance contracts accepted except amounts which must be included in lines 14 and 15	31					
	Amounts due to ceding insurers and intermediaries under reinsurance treaties accepted except amounts which must be included in lines 14 and 15	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 Note below
Total (11 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					

Note

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 14 to 47 of Form 14.

Returns under Insurance Companies Legislation

Form 15

Liabilities (other than Long Term business)

Name of Company

Global business/UK branch business

Financial year ended

		Company registration number	Global/UK	Period ended			Units	For official use	
				day	month	year			
		F15			19	£000			
				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 22 Summary form 20.23
 Line 23 All forms 22.31.3 ; 22.41.3 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

Returns under Insurance Companies Legislation

Form 16

Statement of other income and expenditure

Name of Company

Global business/UK branch business

Financial year ended

	Company registration number	Global/UK	Period ended			Units	For official use
			day	month	year		
	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 and 16*GENERAL BUSINESS: REVENUE ACCOUNT AND ADDITIONAL INFORMATION
(FORMS 20 to 28 and 30 to 36)

1. All the Forms included in the part of the return to which this Schedule relates (Forms 20 to 28 and 30 to 36) are to be laid out as shown in the Schedule except that Form 30 need only be in the general form shown.

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

Currency

3. Notwithstanding the provisions of paragraph 2 of this Schedule, amounts 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 should 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 are to be shown to the nearer £1,000. Amounts in any other currency on Forms 31, 33, 34 and 35 are to 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 are to be shown to the nearer 1,000,000 principal monetary units and the fact that this has been done is to be indicated by inserting "000,000" in the box labelled "Monetary units". In other cases, this box should be completed by inserting "000".

Accounting classes

5.—(1) Direct insurance and facultative reinsurance shall be included in the returns in accordance with the accounting classes set out in the table below (against each of which are shown the corresponding classes as defined in the Insurance Companies (Classes of General Business) Regulations 1977(a)):

<i>Accounting class</i>	<i>Corresponding classes</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

(a) S.I. 1977/1552.

Except 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;

(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 an ancillary risk (as defined in Regulation 4 of the Insurance Companies (Classes of General Business) Regulations 1977).

(2) Accounting classes 3, 4 and 5 when accounted for on a three-year basis also include treaty reinsurance business in the corresponding classes. 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 as follows:

9 Non-proportional treaty reinsurance

10 Proportional treaty reinsurance.

6. Boxes marked "Accounting class" or "Accounting class code" should be completed so as to show the number of the accounting class as specified in paragraph 5 of this Schedule. "99" should be shown in the case of the summary account in Form 20.

UK and overseas premiums

7. 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

8. In Forms 20, 21 and 31 the amounts of premiums receivable are to be recorded in relation to the date on which the contract of insurance was inception. Except that, 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 inception, but not later than the date on which the company or a branch of the company recorded that the risk had been accepted.

9. 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). Except that, 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

10. 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 is to be determined in each case by the date on which the contract commenced, and "underwriting year" shall have the same meaning. Except that 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

11. 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 is to 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.

Commission

12. 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 should 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 should be included in a note.

13. In Form 24, the amounts of premium shown at lines 11, 12, 13, 14 and 19 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 should be grossed up by an appropriate amount and shown in lines 71 to 79 on Form 25.

Unearned premiums

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

Reconciliation returns

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

(2) The headings of the reconciliation return are to 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 should be shown in sterling.

(4) The reconciliation return in Form 31 should 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

Financial year ended

Accounting class/Summary

F20	Company registration number	Global/UK	Period ended			Units	Accounting class/summary	For official use
			day	month	year			
					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	29	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						

Form 21
(Sheet 1)

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

Financial year ended

Accounting class

	Company registration number	Period ended		Units	Accounting class	For official use
		Global/UK	day month year			
	F21			19	£000	
Premiums receivable (less rebates and refunds) in the financial year		Gross	Reinsurance premiums payable	Net of reinsurance		
		Earned in previous financial years 1	Earned in previous financial years 3	Earned in previous financial years 5		
in respect of risks accepted in previous financial years	11	Earned in the financial year 1	Earned in the financial year 3	Earned in the financial year 5	Unused at the end of the financial year 6	
in respect of risks accepted in previous financial years	12					
in respect of risks accepted in the financial year for periods of less than 12 months	13					
expiring by the end of the financial year	14					
expiring after the end of the financial year	15					
commencing prior to the last 12 months of the financial year	16					
	17					
	18					
	19					
	20					
	21					
	22					

Note

- when there are more than twelve months in the financial year, the total amounts should be entered for each month with the amounts for the last month entered at line 15; with preceding months at lines 16 to 22; with preceding months at lines 23 etc.
- for the normal financial year of 12 months, the amounts for each month 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 should be entered for each month with the amounts for the last month entered at line 15; with preceding months at lines 16 to 22; with preceding months at lines 23 etc.

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

Financial year ended

Accounting class

		Company registration number	Global/UK	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

Financial year ended

Company registration number		Global/UK		Period ended			Units	For official use
F23				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

INSTRUCTIONS FOR COMPLETION OF FORM 23

1 Line 11 should 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 should be completed in respect of the preceding 6 years of origin beginning with the most recent. Years of origin commencing before 1 January 1981 should 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 should 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 should 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

Financial year ended

Accounting class

		Company registration number	Global/UK	Period ended day month year			Units	Accounting class	For official use
		F24				19	£000		
Amounts receivable or payable in the financial year	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	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.

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 should 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 should include unearned premium portfolios less premium portfolios, whilst outstanding claims portfolios less loss portfolios will be part of the constituents of line 15.
- 2 In the case of accounting class 9 the figures in lines 12, 14 and 15 should equal respectively those in lines 19, 29 and 61 of Form 26.
 - 3 For business closed through the Institute of London Underwriters, amounts paid should 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

Financial year ended

Accounting class

Division of premiums between UK and overseas	Company registration number	Global/UK	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 accepted 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	
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					

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

Financial year ended

	Company registration number	Global/UK	Period ended			Units	Accounting class	For official use
			day	month	year			
	F26				19	£000	9	
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				
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

Financial year ended

		Company registration number	Global/UK	Period ended			Units	Accounting class	For official use
		F27		day	month	year			
						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')						
		1	2		3			Form Line	
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 or 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								

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

Financial year ended

	Company registration number	Global/UK	Period ended			Units	Accounting class	For official use
			day	month	year			
	F28				19	£000	10	
Amounts receivable or payable in the financial year		Insurance business written under treaties						
			closed in the financial year ('closed treaty year')	to be closed in the next financial year ('open treaty year')	Total (1+2)			
			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

General business: Summary of reinsurance business ceded

Name of Company

Global business/UK branch business

Financial year ended

Accounting class/risk group	Description of reinsurance cover	Period covered (only where different from the ceding company's financial year)	Ceding company's maximum net retention in respect of		Reinsurer's maximum capacity or indemnity	Cessions to reinsurers permitted to carry on business in the UK		Cessions to other reinsurers		Remarks
			any one risk or "Probable Maximum Loss" in respect of any one risk, as appropriate	any one event		Number of reinsurers	Premiums payable	Number of reinsurers	Premiums payable	
1	2	3	4 £000	5 £000	6 £000	7	8 £000	9	10 £000	11

INSTRUCTIONS FOR COMPLETION OF FORM 30

- 1 Separate entries should be made for each accounting class except that classes 9 and 10 may be shown under a single heading of "Treaty reinsurance business accepted". If separate reinsurance arrangements have been made in respect of risk groups within an accounting class, separate entries should be made for the risk groups.
- 2 In the case of facultative reinsurance cover—
 - (a) Only one entry is required for each class. The word "facultative" should 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% of the gross premiums receivable for the class. If these columns are not separately completed for a class the reason is to be stated together with the total amount of facultative premiums ceded for the class.
 - (c) Column 11 should 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% of the gross premiums receivable for the class.
- 3 In the case of an entry for treaty reinsurance business accepted, the word "retrocession" should be entered in column 2 and details of the type of retrocession need not be provided.
- 4 The information given in column 6 should include the number of lines in the case of surplus treaties and the layers of each treaty in the case of excess of loss treaties.
- 5 Remarks in column 11 should include details of reinsurance ceded to related companies.

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 class	Accounting class	For official use
		day	month	year				
	F31			19				
Gross premiums receivable less rebates and refunds) in 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

n previous financial years			11				
n the financial year in respect of risks accepted in	previous financial years		12				
	the financial year		13				
Total (11 + 12 + 13)			19				

Risk group

n previous financial years			11				
n the financial year in respect of risks accepted in	previous financial years		12				
	the financial year		13				
Total (11 + 12 + 13)			19				

Risk group

n previous financial years			11				
n the financial year in respect of risks accepted in	previous financial years		12				
	the financial year		13				
Total (11 + 12 + 13)			19				

Risk group

n previous financial years			11				
n the financial year in respect of risks accepted 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 should be completed as indicated below:

	Coverage	Country code	
(a)	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
(b)	for UK business not returned under (a)	box 19.5 only of one section of one form for each accounting class	AZ
(c)	for all other business not returned under (a) or (b)	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 should 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 should be the amount shown at 21.41.1 for that accounting class.

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

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

Risk group

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

Risk group

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

Risk group

n previous financial years		11					
n the financial year in respect of risks incepted in	previous financial years	12					
	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 should be completed only in respect of accounting class 2 (Motor Vehicle).

2 Forms should 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 should be expressed as percentages to one place of decimals.

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		1	2	3	4	5		
		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						

		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		1	2	3	4	5		
		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 should 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 1978)
(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 should 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 should 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 should 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 should 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 should be the sum of the amounts shown at 22.11.3 and 22.14.3 for that accounting class.

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 should 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 should 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 should 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 should 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 1978)	
(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) should include any payments not reported under 1(a) because of the operation of instruction 2(ii).
- 3 The amounts shown in column 2 should 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 should 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 should 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 should be the amount shown at 24.21.5 for that accounting class.

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 and 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.

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. 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.

5. 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 footnote to the appropriate statement.

6.—(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
- (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.

7. 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.

8. 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.

9. 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

Form 40

Long Term business: Revenue account

Name of Company

Financial year ended

Fund

Items to be shown net of reinsurance ceded		The financial year 1	Previous financial year 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		

Instructions

- 1 The entry at 40.1.1 should be equal to 41.9.3.
the entry at 40.7.1 should be equal to 42.21.3 and
the entry at 40.8.1 should 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 should 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 18 of Form 58.

Returns under Insurance Companies Legislation

Form 41

Long Term business: Analysis of premiums and expenses

Name of Company

Financial year ended

Fund

				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			

Returns under Insurance Companies Legislation

Form 42

Long Term business: Analysis of claims

Name of Company

Financial year ended

Fund

Claims payable in the financial year		Gross 1	Recover- able from reinsurers 2	Net of reinsurance (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		
Perma- nent health contracts	by way of lump sums	15		
	by way of periodical payments	16		
	total permanent health claims (15 + 16)	17		
Capital redemp- tion 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 attribu- table to	UK contracts	22		
	overseas contracts	23		

United Kingdom/Overseas
Non-linked/Linked

Long Term business: Summary of changes in business

Name of Company
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
	1	2	3	4	5	6	7	8	9	10
In force at beginning of year										
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 should not include any recurrent single premiums.

Form 44

Returns under Insurance Companies Legislation

Long Term business: Analysis of new business

United Kingdom/Overseas

Name of Company

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

Returns under Insurance Companies Legislation

Form 45

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

Name of Company

Financial year ended

Fund

Type of asset		Value of admissible assets as shown on Form 13	Expected income from admissible assets	Running 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	4		
	other	5		
Equity shares		6		
Debts fully secured on land	due more than 12 months after the end of the financial year	7		
	due in 12 months or less after the end of the financial year	8		
All other assets	producing income	9		
	not producing income	10		
Total		11		

Instructions

The entry at 45.1.1 should be equal to 13.11.1,
the entry at 45.2.1 should be equal to 13.12.1,
the entry at 45.3.1 should be equal to 13.13.1 + 13.14.1 + 13.15.1,
the entry at 45.4.1 should be equal to 13.16.1,
the entry at 45.5.1 should be equal to 13.17.1,
the entry at 45.6.1 should be equal to 13.21.1 + 13.22.1 + 13.23.1,
the entry at 45.7.1 should be equal to 13.61.1 + part of 13.64.1,
the entry at 45.8.1 should be equal to 13.62.1 + part of 13.66.1 and
the entry at 45.11.1 should be equal to 13.93.1 - (13.85.1 + 13.86.1)
where Form 13 is for the same fund or group of funds.

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 should be taken of any changes in dividend forecasts which have been publicly announced by the valuation date and similarly of any alterations in capital structure.

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 should be included only to the same extent.

The treatment of the expected income from any asset where the payment of interest is in default and the amount of interest involved should be stated.

Returns under Insurance Companies Legislation

Form 48

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

Name of Company

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 Where for a particular redemption period a number of securities with different gross redemption yields are held the method of determining the yield in column 4 should be stated.
- 2 Where securities may be redeemed over a period at the option of the guarantor or issuer, they should 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 should be provided explaining what assumption has been made.
- 3 46.9.1, 46.9.2, 46.18.1 and 46.18.2 should be equal to the values at 45.2.1, 45.2.2, 45.3.1 and 45.3.2 respectively.

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

Financial year ended

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

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

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

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

Returns under Insurance Companies Legislation

Form 50

Long Term business: Analysis of units in internal linked funds

Name of Company

Financial year ended

Name of internal linked fund in which invested	Name of unit link	Valuation price per unit	Total number of units in force	Value of total units in force	Value of units held by each internal linked fund in each unit link of other internal linked funds				Value of units in force excluding those held by other internal linked funds (5-9)
					A	B	etc	Total	
1	2	3	4	5	6	7	8	9	10
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 should equal the entries in line 20 on Form 49.

2 The totals of columns 6, 7 etc should 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

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

Regulation 17

SCHEDULE 4

VALUATION REPORT on the (Name of Company) to be made and signed by the Appointed Actuary.

The following information is to be given, the answers to be numbered to accord with the numbers of corresponding paragraphs and any monetary amounts to be 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 previous investigation under section 14 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 valuation report when full information in respect of the category of contract was last given, provided that full information in respect of every category of contract is given in the valuation report whenever a statement of long term business is also prepared.)

5. The general principles 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) if the net premium method has been used, whether and to what extent it has been modified and for what purpose the modification has been made;
- (c) whether there were any negative values and, if so, the extent to which they were eliminated;
- (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).

(NB: It shall be sufficient, instead of giving the full information required by paragraph 5, to state what changes have been made since the previous valuation report when full information was last given, provided that full information of the general principles adopted in the valuation is given in the valuation report whenever 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.

8. For each category of linked contract—

- (a) all parameters used in calculating the valuation net liability;
- (b) where a formula method of valuation has been used, details of the parameters used in the tests of the adequacy of the formula.

9.—(1) For reinsurance ceded on a facultative basis the amount of the premiums payable by the company to reinsurers who are not permitted to carry on business in the United Kingdom during the period since the previous investigation (sub-divided according to accounting periods, if appropriate).

(2) For each reinsurance treaty where the company was the ceding insurer and under which business is in force at the date of the investigation—

- (a) whether or not the reinsurer is permitted to carry on business in the United Kingdom;
- (b) an indication of the nature and extent of the cover given under the treaty;
- (c) the premiums payable by the company under the treaty during the period since the previous investigation (sub-divided according to accounting periods, if appropriate);
- (d) 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 lapse or surrender of the contracts;
- (e) whether the treaty is closed to new business.

10. The general principles on which the distribution of profits among policyholders and shareholders is made and whether these principles are determined by the instrument constituting the company or by its regulations or bye-laws or how otherwise.

11. 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.)

12. 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.)

13. 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.

14. 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.

15. 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 for—

- (i) direct business and reinsurance accepted;

(ii) reinsurance ceded.

16. Separate statements of the results of the valuation in the form set out in Form 58 in respect of each separate fund.

Form 55

Valuation summary of non-linked contracts

Fund

Type of insurance	Valuation basis		Number of contracts	Amount of sums assured or annuities per annum, including vested re- versionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested re- versionary bonuses	Value of annual premiums		Amount of net liability
	Rate of interest	Mortality or disability table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12

INSTRUCTIONS FOR COMPLETION OF FORMS 55 AND 56

1. Information is to 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.

Totals are not required for column 5 on Form 55 and columns 5, 6 and 7 on Form 56.

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) 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 are to be shown separately—

- (i) whole life assurance
- (ii) endowment assurance
- (iii) pure endowment
- (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.

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 net liability 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 are to be shown on separate lines in the net liability column and the particulars of such reserves or adjustments are to be specified.

7. Any contract which consists of a combination of different types of insurance is to 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 is to 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 net liability 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 are to 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 are to 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 the net liability of business shown under all such headings in any one valuation summary does not exceed 5 per cent of the total net liability of 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 are to 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 are to be taken as at the date to which the investigation relates and, where such benefits are included as approximate amounts only, that fact is to 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 is to be given.

17. Where for group life and pension schemes the net liability at the valuation date is based on that in respect of the business in force at the last scheme revision date, any adjustment on account of changes after that date is to 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 is to be given.

Form 57**Analysis of unit liabilities**

und

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

Instructions

The total of column 4 should equal the total of column 11 on Form 56.

- A separate line should be used for each authorised unit trust and each different type of unit of each internal linked fund.

Valuation result and distribution of surplus

Form 58

Fund

Valuation result	Fund carried forward		1	
	Bonus payments made to policyholders in anticipation of a surplus		2	
	Transfer to statement of other income and expenditure		3	
	Total (1 + 2 + 3)		4	
	Net liability for non-linked contracts		5	
	Net liability for linked contracts		6	
	Total (5 + 6)		7	
	Surplus (Deficiency) (4 - 7)		8	
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		9	
	Transfer from statement of other income and expenditure		10	
	Surplus arising since the last valuation		11	
	Total (9 to 11)		12	
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		13	
	Allocated to policyholders by way of	cash bonuses	14	
		reversionary bonuses	15	
		premium reductions	16	
	Total allocated to policyholders (13 to 16)		17	
	Transfer to statement of other income and expenditure		18	
	Total distributed surplus (17 + 18)		19	
	Balance of surplus carried forward unappropriated		20	
Total (19 + 20)		21		
Percentage of distributed surplus allocated to policyholders		22		
Corresponding percentages at three immediately previous valuations	latest (date of valuation)	23		
	earlier (date of valuation)	24		
	earliest (date of valuation)	25		

Instructions

- 1** Line 22 is line 17 as a percentage of line 19.
- 2** Interim, mortuary and terminal bonuses, together with any other bonuses which the actuary determines in advance of the valuation, should be included in lines 2 and 13.

SCHEDULE 5

Regulation 17

STATEMENT OF THE ORDINARY LONG TERM INSURANCE BUSINESS of the (Name of Company) valued as at (date of valuation) to be signed by the Appointed Actuary.

1.—(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 ordinary long term business to be made. As far as possible, the order in which the statements appear in this Schedule should 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 ordinary long term business to be made. As far as possible, the order in which the statements appear in this Schedule should follow the order in which the categories of contract appear in Form 56. The amounts should 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 14(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.

2.—(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 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 sub-paragraph (2) of paragraph 1 of this Schedule.

(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 sub-paragraph (2) of paragraph 1 of this Schedule:

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.

3. 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 1 of this Schedule for those categories of contract.

4.—(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 ages 25, 40 and 55 respectively 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 no information in respect of surrender values and paid-up amounts need be given under this paragraph.

5. The proportion of the total net liability of the company's ordinary long term insurance business as shown in the valuation summaries represented by liabilities not matched by assets in the same currency is to be stated.

Form 67**Deferred annuities with guaranteed cash options**

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

Instructions

- 1** An explanation should 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 should 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 should be those secured by the premiums already paid and no office annual premium should be given.
- 5** Separate tables are to 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 is to be stated.

Form 69

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

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 is to 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, should be included in Form 67 or Form 68 as appropriate.

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

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

Linked single premium assurances

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

Instructions

- 1** The information may be given for 5-year age groups.
- 2** The basis on which the age has been assessed is to be stated.
- 3** A separate column 4 should 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 should be classified by term to the next guarantee date rather than by age and an additional column showing the mean age should be given.

Form 73**Linked regular premium assurances without monetary guarantees on survival: Unit liability not discounted**

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 is to be stated.
- 3 A separate column 4 should 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 should be stated and additional information given.

**Linked regular premium assurances with monetary guarantees on survival:
Unit liability not discounted**

Year of maturity (starting with the nearest)	Current sums assured on death	Guaranteed minimum sums assured on death	Guaranteed minimum sums assured on maturity or surrender	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 should 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 should be stated and additional information given.
- 4** For contracts with monetary guarantees on surrender rather than on maturity the year shown in column 1 should be the year of the next such guarantee.

Form 75

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

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 should 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 should be stated and additional information given.

Linked deferred annuities

Year in which payment of annuity is due to commence (starting with the nearest) 1	Number of units allocated at valuation date 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 should be provided for each different unit link to which a category of contract is linked.
- 3** Separate tables are to 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.

Form 77

inked annuities in payment

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

For ages under 60 the information may be given for 5-year age groups.

The basis on which the age has been assessed is to be stated.

Columns 2 and 4 should be completed only for those categories of contract where the company bears the mortality risk. Columns 3 and 5 should be completed for those categories of contract where the policyholders bear the mortality risks.

A separate form should be provided for each different unit link to which a category of contract is linked.

Form 78

Miscellaneous linked contracts

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 should

SCHEDULE 6

Regulations 18 and 19

PART I

Certificate by directors, etc.

1. Subject to paragraph 5 below, the certificate required by Regulation 18(a) of these Regulations shall state, in relation to the part of the return comprising Forms 10 to 16, 20 to 28, 31 to 36 and 40 to 51—

- (a) that, for the purpose of preparing the return, proper records have been maintained and adequate information has been obtained by the company;
 - (b) except in the case of a Community company in respect of business to which sub-paragraph (b) of paragraph 3 below applies, that the value shown for each category of asset has been determined in conformity with Regulation 4 of these Regulations and includes the value of only such assets or such part 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 of these Regulations; and
 - (d) except in the case of a Community company in respect of business to which sub-paragraph (b) of paragraph 3 below applies and an external company in respect of business to which sub-paragraph (d) of paragraph 3 below applies, that the aggregate of the values (as determined in accordance with these Regulations) at the end of the financial year of such of the company's realisable domestic assets as were free from any mortgage or charge together with the aggregate of the values (determined as aforesaid) at that time of the company's equities of redemption in such of its realisable domestic assets as were mortgaged or charged otherwise than to secure the liabilities of a person other than the company was at least equal to the aggregate of the amounts at that time of the company's domestic liabilities (as defined in section 31 of the Insurance Companies Act 1974) to the extent that those liabilities were unsecured by mortgage or charge upon the company's realisable domestic assets.
2. For the purpose of sub-paragraph (d) of paragraph 1 above—
- (a) assets shall be deemed to be realisable domestic assets if they were, in the opinion of those signing the certificate, realisable in the United Kingdom at the end of the financial year and the documents of title to which (where documents of title existed) were then in the United Kingdom;
 - (b) the extent to which a domestic liability of the company shall be deemed to be unsecured is the amount by which the amount of that liability (as stated or included in the balance sheet) exceeds the values (as determined in accordance with these Regulations) at the end of the financial year of any realisable domestic assets of the company mortgaged or charged to secure that liability; and
 - (c) the reference to equities of redemption in assets mortgaged or charged shall, in relation to Scotland, be construed as a reference to rights to redeem such assets as are subject to any heritable security, as defined

in section 9(8) of the Conveyancing and Feudal Reform (Scotland) Act 1970(a).

3. If a company carries on general business the certificate required by Regulation 18(a) of these Regulations shall, subject to paragraph 5 below, also state—

- (a) in the case of a Community company having its head office in the United Kingdom the amount of the required solvency margin (whichever is the greater of the solvency margin calculated in accordance with Regulation 4(1) of the Solvency Regulations or the minimum guarantee fund) applicable to the company immediately following the end of the financial year and the amount of the company's net admissible assets (as shown in Form 10) after taking into account any quantifiable contingent liabilities shown in a note to Form 15;
- (b) in the case of a Community company having its head office in a member State other than the United Kingdom which carries on general business through an agency or branch in the United Kingdom, that the company maintains (in accordance with Regulation 4(4) of the Solvency Regulations) admissible assets of a value not less than the amount of its liabilities in respect of business carried on by it through an agency or branch in the United Kingdom;
- (c) in the case of an external company or an excluded company, the amount of the required solvency margin (as calculated in accordance with the Insurance Companies Act 1974) which is applicable to the company in the period immediately following the end of the financial year in relation to its entire business and the amount of the company's net admissible assets (as shown in Form 10) after taking into account any quantifiable contingent liabilities shown in a note to Form 15;
- (d) in the case of an external company carrying on general business through an agency or branch in the United Kingdom—
 - (i) in relation to the general business carried on through an agency or branch in the United Kingdom, the amount of the required solvency margin (whichever is the greater of the solvency margin calculated in accordance with Regulation 5 of the Solvency Regulations or one-half of the minimum guarantee fund) applicable to the company in the period immediately following the end of the financial year and the amount of the net admissible assets (as shown in Form 10) after taking into account any quantifiable contingent liabilities shown in a note to Form 15.
 - (ii) that the company keeps admissible assets representing the solvency margin referred to in sub-paragraph (i) of this sub-paragraph of an amount at least equal to the guarantee fund or to one-half of the minimum guarantee fund, whichever is the greater, within the United Kingdom and as to the remainder within the United Kingdom and the other member States in accordance with Regulation 5(3)(e) of the Authorisation Regulations, and
 - (iii) that the deposit made in accordance with Regulation 6 of the Solvency Regulations has been maintained at a level equal to at least one-fourth of the minimum guarantee fund; and

(e) in the case of a company which accounts for any of its general business over periods longer than twelve months, that all premiums and considerations receivable in respect of any general business accounted for over a period of longer than twelve months, 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 (i) the discharge of liabilities (including expenses) proper to the execution of that business and (ii) the transfer of any profits after the closing of the account at the end of the appropriate accounting period, and that any shortfall of any such fund 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 the fund.

4. If a company carries on long term business the certificate required by Regulation 18(a) of these Regulations shall, subject to paragraph 5 below, also state—

- (a) except in the case of a company which has no shareholders and carries on no business whatsoever other than long term insurance business, that the requirements of sections 23 to 26 of the Insurance Companies Act 1974 have been fully complied with and in particular that, subject to the provisions of section 24(2) and (3) and section 25 of the Insurance Companies Act 1974, 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 other than for the purposes 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 connected with it (within the meaning of that term in section 26 of the Insurance Companies Act 1974) 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; and
- (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.

5.—(1) Where, in the opinion of those signing the certificate, the circumstances are such that any of the statements required by paragraphs 1, 3 or 4 above (other than those required by sub-paragraphs (a), (c) and (d)(i) of paragraph 3) 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 attached to the certificate.

PART II

Certificate by appointed actuary

6. The certificate required by Regulation 18(b) of these Regulations to be signed by the appointed actuary shall state, if such be the case, that—

- (a) in his opinion, proper records have been kept by the company adequate for the purpose of the valuation of the liabilities of the long term business;
- (b) he is satisfied that, as at the end of the financial year, the aggregate of the amount of the liabilities under long term business contracts assessed in accordance with these Regulations, together with the amount of any other liabilities of the company attributable to its long term business does not exceed the value of the assets identified as representing the long term business; and for the purpose of this certificate the amount of the other liabilities and the value of the assets are those determined by the directors and certified by them as having been determined in accordance with these Regulations; and
- (c) in making the statement in (b) he has taken due account of the relationship between the nature and term of the assets and the nature and term of the liabilities.

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

PART III

Auditors' report

8. The report required by Regulation 19 of these Regulations shall, in addition to any statements required by section 14(4) and (6) of the Companies Act 1967(a) as applied by Regulation 19 of these Regulations, state—

- (a) whether, in the auditors' opinion, the parts of the return required to be audited (that is Forms 10 to 16, 20 to 28, 31 to 36 and 40 to 51) have been properly prepared in accordance with the provisions of these Regulations; and
- (b) whether, in their opinion and according to the information and explanations they have received, the certificate required to be signed in accordance with Regulation 18(a) has been properly prepared in accordance with these Regulations and whether, in their opinion and according to the information and explanations they have received, it was reasonable for the persons giving that certificate to have made the statements therein.

SCHEDULE 7
REVOCATIONS

Regulation 23

Column 1 <i>Regulations revoked</i>	Column 2 <i>References</i>	Column 3 <i>Extent of revocation</i>
The Assurance Companies Rules 1950	S.I. 1950/533	Rules 12, 17 and 18
The Insurance Companies (Forms) Regulations 1958	S.I. 1958/1765	The whole regulations
The Insurance Companies (Accounts and Forms) Regulations 1968	S.I. 1968/1408	The whole regulations
The Insurance Companies (Accounts and Forms) (Amendment) Regulations 1975	S.I. 1975/1996	The whole regulations
The Insurance Companies (Accounts and Forms) (Amendment) Regulations 1976	S.I. 1976/549	The whole regulations
The Insurance Companies (Accounts and Forms) (Amendment) (No. 2) Regulations 1976	S.I. 1976/869	The whole regulations
The Insurance Companies (Accounts and Forms) (Amendment) (No. 3) Regulations 1976	S.I. 1976/2040	The whole regulations
The Insurance Companies (Accounts and Forms) (Amendment) Regulations 1978	S.I. 1978/721	The whole regulations

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations prescribe the form and contents of the accounts which a company is required to prepare under section 13(1) of the Insurance Companies Act 1974. They make provision for certain information to be given by a note on the accounts or by a statement or report annexed thereto and for certificates to be given by certain persons. They also make provision as to audit. The Regulations prescribe the form and contents of any statement of ordinary long term business prepared by a company under section 14(3) of the Act and the form and contents of any abstract of an actuary's report which a company causes to be prepared after an investigation has been made under section 14 of the Act. The qualifications which an actuary must possess in order to be appointed as actuary to a company under section 15 of the Act are prescribed. General business is prescribed as a class of insurance business and the form and contents of the annual statement of business of that class which a company is required to prepare under section 16 of the Act are also prescribed.

The Insurance Companies (Accounts and Forms) Regulations 1968, as amended, are revoked as are other spent Regulations relating to the accounts of insurance companies (see Regulation 23). There are various transitional provisions (see Regulation 22).

