
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Insurance Companies Regulations 1994 (“the 1994 Regulations”) and the Insurance Companies (Accounts and Statements) Regulations 1983 (“the 1983 Regulations”). They make amendments consequential to the amendments made to the Insurance Companies Act 1982 by the Insurance Companies (Amendment) Regulations 1994 which implement the Agreement on the European Economic Area as regards the application of Council Directive 92/49/EEC (O.J. No. L228, 11.8.92, p.1) and Council Directive 92/96/EEC (O.J. No. L360, 9.12.92, p.1) to Austria, Iceland, Norway and Sweden, and, in the case of Directive 92/96 EEC, to Finland and other unrelated amendments.

Regulation 1 makes provision for the citation and commencement of the Regulations.

Regulation 2 amends the general interpretation provisions of the 1994 Regulations.

Regulation 3 and Regulation 4 substitute references to member States for the words “European Community” in provisions governing localisation of assets and exclusions from the matching and localisation rules, following the extended meaning given to member State by the Insurance Companies (Amendment) Regulations 1994.

Regulation 5 amends a provision in the 1994 Regulations governing prescribed particulars of change of control by inserting a reference to section 62(1B) of the Act.

Regulation 6 makes a number of amendments to the provisions in Regulation 43 of the 1994 Regulations which prescribes the assets to which benefits payable under linked contracts may be linked.

Regulation 7 makes amendments to the definitions for the purposes of Part VIII of the 1994 Regulations.

Regulation 8 corrects a minor drafting error in regulation 47(2)(b) of the 1994 Regulations.

Regulation 9 revises the provisions for the valuation of secured debts owed to insurance companies.

Regulation 10 introduces new provisions for the valuation of a listed investment.

Regulation 11 amends the provisions of regulations 55 of the 1994 Regulations which deals with derivative contracts. In particular it expands the definition of an approved derivative contract.

Regulations 12 and 16 amends regulation 57 of, and Schedule 12 to, the 1994 Regulations dealing with the extent to which assets of an insurance company can be taken into account for the purposes set out in regulation 45. Regulation 57 has been restructured and there are additional provisions with regard to derivative contracts.

Regulation 13 amends regulation 71 of the 1994 Regulations concerning the provision for expenses.

Regulation 14 amends regulation 80 of the 1994 Regulations concerning the provision of insurance statistics for EFTA States and EFTA companies by providing statistical information to be given in respect of financial years.

Regulation 15 revises Schedule 10 of the 1994 Regulations dealing with permitted links. It adds to the categories of property which may be permitted links and amends the conditions under which certain property may be permitted links.

Regulation 17 revises Schedule 16 of the 1994 Regulations dealing with insurance statistics by providing for information to be provided on the basis of premiums written and claims paid.

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

Regulation 18 makes an amendment to the interpretation provisions of the 1983 Regulations.

Regulations 19 and 20 amend the form of the balance sheet and profit and loss account in Form 15 to Schedule 1 of the 1983 Regulations.

Regulation 21 makes an amendment to the form of the certificate to be provided by the appointed actuary.

Compliance costs

Compliance Cost Assessments were prepared in respect of the Insurance Companies (Third Insurance Directives) Regulations 1994, the Insurance Companies Regulations 1994 and the Insurance Companies (Accounts and Statements) (Amendment) Regulations 1994 and placed in the Libraries of both Houses of Parliament. Copies are also available from the Insurance Division of the Department of Trade and Industry, Room 817, 10-18 Victoria Street, London SW1H 0NN. These assessments concluded that the cost impact of the Regulations was broadly neutral. These Regulations will not impose any new burden on business, and a further Compliance Cost Assessment has not been prepared.