STATUTORY INSTRUMENTS

1983 No. 1192

INSURANCE

INDUSTRIAL ASSURANCE

The Insurance Companies (Accounts and Statements) (Amendment) Regulations 1983

Made - - - -	*3rd August* 1983
Laid before Parliament	*9th August* 1983
Coming into Operation	*5th September* 1983

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

Preliminary

Citation, commencement and transitional provisions

1.—(1) These Regulations may be cited as the Insurance Companies (Accounts and Statements) (Amendment) Regulations 1983 and shall come into operation on 5th September 1983 but, apart from Regulations 3 and 5(3), shall not apply in relation to any financial year of a company ending before 15th March 1984.

(2) A company shall not be required to include in any document submitted to the Secretary of State pursuant to section 22 of the Insurance Companies Act 1982 any information relating to the financial year of the company immediately preceding that financial year of the company to which an amendment made to the Insurance Companies (Accounts and Statements) Regulations 1980(**b**) by any provision of these Regulations shall first apply in accordance with paragraph (1) above.

Interpretation

2. In these Regulations, except where the context otherwise requires, references to numbered Regulations and Schedules are references to Regulations and Schedules respectively so numbered in the Insurance Companies (Accounts and Statements) Regulations 1980.

(**a**) 1982 c. 50.
(**b**) S.I. 1980/6, as amended by S.I. 1981/1656, 1982/305, 1795, 1983/469.

Amendment of the Industrial Assurance Companies (Accounts and Statements) Regulations 1980

3. The Industrial Assurance Companies (Accounts and Statements) Regulations 1980(**a**) are hereby amended—

(a) in regulation 3 by the insertion at the end of the definition of "the Insurance Companies Regulations" of the words "as amended by the Insurance Companies (Accounts and Statements) (Amendment) Regulations 1981(**b**), the Insurance Companies (Accounts and Statements) (Amendment) Regulations 1982(**c**) and the Insurance Companies (Accounts and Statements) (Amendment) Regulations 1983(**d**); and

(b) in Regulation 5*(a)* by the insertion after the words "Forms 55 to 58" of the words ", 60 and 61".

Amendment of the Insurance Companies (Accounts and Statements) Regulations 1980

Amendment of Regulation 2

4. In paragraph (2) of Regulation 2 for the number "17" there shall be substituted the words "17*(a)* and *(b)*".

Amendment of Regulation 3

5.—(1) In paragraph (1) of Regulation 3—

(a) the following definitions shall be inserted in the appropriate places in alphabetical order—

""mathematical reserves" has the same meaning as in Part I of the Insurance Companies Regulations 1981;"

""required margin of solvency" has the same meaning as in Part II of the Insurance Companies Regulations 1981;" and

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

(b) in the definition of "subordinated" for the words "share capital," there shall be substituted the words "share capital and amounts which the company may be liable to pay by virtue of section 59(4) of the Companies Act 1981(**e**),".

(2) For sub-paragraph (b) of Regulation 3(3) there shall be substituted the following sub-paragraph—

"*(b)* any reference to long term business or to general business shall, in

(**a**) S.I. 1980/1820.
(**b**) S.I. 1981/1656.
(**c**) S.I. 1982/305.
(**d**) S.I. 1983/1192.
(**e**) 1981 c. 62.

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

(i) accounts prepared in respect of its entire long term business or entire general business, and

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

(3) After paragraph (3) of Regulation 3 there shall be inserted—

"(4) Regulation 2(2) of the Insurance Companies Regulations 1981 shall have effect for the purposes of these Regulations as it has effect for the purposes of those Regulations and "ECU" shall be construed accordingly.",

and in the Insurance Companies (Accounts and Statements) Regulations 1980 for references to EUA wherever they occur there shall be substituted references to ECU.

Amendment of Regulation 6

6. In Regulation 6—

(a) in paragraph 1 for the words "Forms 10 to 15" there shall be substituted the words "Forms 9 to 15" and for the words "paragraphs (2) to (6) below" there shall be substituted the words "paragraphs (1A) to (6) below";

(b) after paragraph (1) there shall be inserted the following paragraph—

"(1A) Form 9 shall be completed by every United Kingdom company, external company, United Kingdom deposit company and pure reinsurer."; and

(c) for the words "general business" in both places where they occur in paragraph (4)*(e)* and *(f)* there shall be substituted the words "long term or general business".

Amendment of Regulation 17

7. After paragraph *(a)* of Regulation 17 there shall be added the following paragraph—

"*(aa)* except in the case of a Community company (other than a United Kingdom company or a pure reinsurer) and a Community deposit company, the abstract of the actuary's report shall also include Form 60 and, where appropriate, Form 61 in respect of all long term business;".

Amendment of Schedule 1

8. In Schedule 1—

(a) for the words "Forms 10 to 16" in the heading and in paragraph 1 there shall be substituted the words "Forms 9 to 16";

(b) for the words "of general business" in paragraphs 3(2)*(a)* and 3(2)*(b)* there shall be substituted the words "of long term or general business";

(c) for Forms 10, 13 and 14 and Instructions for their completion there shall be substituted Forms 9, 10, 13 and 14 and Instructions for their completion as set out in Schedule 1 hereto;

(d) for the heading to Form 11 there shall be substituted the heading "General Business: Calculation of required margin of solvency—first method"; and

(e) in Form 12—

(i) for the heading there shall be substituted the heading "General Business: Calculation of required margin of solvency—second method, and statement of required minimum margin"; and

(ii) for the words "Margin of Solvency" in line 43 there shall be substituted the words "Required margin of solvency" and for the words "Required solvency margin" in line 49 there shall be substituted the words "Required minimum margin (the higher of lines 43 and 44)".

Amendment of Schedule 3

9.—(1) In paragraph 2 of Schedule 3, for the first sentence there shall be substituted the words "All amounts shall be shown in sterling. In Forms 40 to 42 amounts shall be shown to the nearer £1,000. In Forms 43 to 51 amounts may be shown to the nearer £1,000.".

(2) At the end of paragraph 4 of Schedule 3 there shall be inserted the following words—

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

(3) In each of Forms 40 to 51 for the words "Global business/UK branch business" in the heading there shall be substituted the words "Global business/UK branch business/Community branch business".

(4) In each of Forms 40, 41 and 42 for the word "Fund" in the heading there

shall be substituted the words "Name and number of Fund/Summary" and at the top of each of those forms there shall be inserted the following—

	Company registration number	Global/ UK/CM	Period ended day	month	year	Units	No. of Fund/ Summary	No. of part of Fund	For official use
State whether Form 40, 41 or 42					19	£000			

(5) For Form 45 in Schedule 3 there shall be substituted Form 45 as set out in Schedule 1 below.

Amendment of Schedule 4

10.—(1) For the word "liabilities" in paragraph 7*(d)* of Schedule 4 there shall be substituted the words "mathematical reserves".

(2) For the words "valuation net liability" in paragraph 8*(a)* of Schedule 4 there shall be substituted the words "mathematical reserves".

(3) For the words "net liabilities" in paragraph 8A of Schedule 4 there shall be substituted the words "mathematical reserves".

(4) After paragraph 16 of Schedule 4 there shall be inserted the following paragraph—

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

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

(5) For the words "net liability" where they occur in Forms 55, 56 and 58 and in paragraphs 5, 6 and 7 of the Instructions for the completion of Forms 55 and 56 there shall be substituted the words "mathematical reserves".

(6) In the Instructions for completion of Forms 55 and 56—

(a) in paragraph 10 for the words "the net liability" to "the total net

liability of" there shall be substituted the words "mathematical reserves for business shown under all such headings in any one valuation summary do not exceed 5% of the total mathematical reserves for"; and

(b) in paragraph 17, for the words "net liability at the valuation date is based on that" there shall be substituted the words "mathematical reserves at the valuation date are based on those".

(7) At the end of paragraph 4 of the Instructions for completion of Forms 55 and 56 there shall be added the words "and particulars are also to be shown of any subsidiary provisions within general business class 1 or 2 which, by virtue of section 1(2) and (3) of the Insurance Companies Act 1982 are to be taken to be included in long term business of any class (Supplementary Accident and Sickness Insurance— see Form 61).".

(8) In Form 58—

(a) for the words in line 10 there shall be substituted the words "Surplus including contingency and other reserves held towards the solvency margin (deficiency)(6—9)".

(b) for the words in line 24 there shall be substituted the words "Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated".

(9) After the Instructions for completion of Form 58 in Schedule 4 there shall be inserted Forms 60 and 61 as set out in Schedule 1 hereto.

Amendment of Schedule 5

11. In Form 71, for the words "net liability" there shall be substituted the words "mathematical reserves".

Amendment of Schedule 6

12. For Schedule 6 there shall be substituted that Schedule as set out in Schedule 2 hereto.

Revocation

13. The Regulations mentioned in Schedule 3 below are hereby revoked to the extent therein specified.

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

3rd August 1983.

(Regulations 8(c), 9(5) and 10(9))

SCHEDULE 1

Forms

Returns under Insurance Companies Legislation

Form 9 (Sheet 1)

Statement of solvency

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Company registration number	Period ended Global/UK/CM day	month	year	Units	For official use
F9			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						
Available assets						
Other than long term business assets allocated towards general business required minimum margin	11			See Instructions (a) and (b) below		
Required minimum margin						
Required minimum margin for general business	12			12.49		
Excess of available assets over the required minimum margin (11 – 12)	13					
Implicit items admitted under regulation 10(4) of the Insurance Companies Regulations 1981	14					
LONG TERM BUSINESS						
Available assets						
Long term business admissible assets	21			10.11		
Other than long term business assets allocated towards long term business required minimum margin	22			See Instructions (a) and (c) below		
Total mathematical reserves (after distribution of surplus)	23			See note 1 below		
Other insurance and non-insurance liabilities	24			See note 2 below		
Available assets for long term business required minimum margin (21 + 22 – 23 – 24)	25					
Implicit items admitted under regulation 10(4) of the Insurance Companies Regulations 1981						
Future profits	31					
Zillmerising	32					
Hidden reserves	33					
Total of available assets and implicit items (25 + 31 + 32 + 33)	34					
Required minimum margin						
Required minimum margin for long term business	41			60.13		
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42					
Excess (deficiency) of available assets over explicit required minimum margin (25 – 42)	43					
Excess (deficiency) of available assets and implicit items over the required minimum margin (34 – 41)	44					

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FORM 9

(Sheet 2)

Returns under Insurance Companies Legislation

Statement of solvency

Name of Company / Global business/UK branch business/Community branch business	Company registration number	Period ended: Global/UK/CM	day	month	year	Units	For official use
Financial year ended	F9				19	£000	

		As at the end of the financial year 1	As at the end of the previous year 2	Source: Form / Line / Column

ALLOCATION OF OTHER THAN LONG TERM BUSINESS ASSETS

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

CONTINGENT LIABILITIES

Quantifiable contingent liabilities in respect of other than long term business as shown in a supplementary note to Form 15	60			See note 3 below
Quantifiable contingent liabilities in respect of long term business as shown in a supplementary note to Form 14	61			See note 3 below

Instructions

(a) For a composite company, the whole Form should be completed, with the entries at lines 11 and 22 being equal to the entries at lines 51 and 52 respectively.

(b) For a company transacting only general business, only lines 11 to 14 and line 60 should be completed, with the entry at line 11 being equal to the entry at Form 10 line 29.

(c) For a company transacting only long term business, only lines 21 to 44 and lines 60 and 61 should be completed, with the entry at line 22 being equal to the entry at Form 10 line 29.

Notes (1) The entry at line 23 should be equal to the sum of lines 11 and 15 in Form 14 and the amount (if any) stated in a footnote to that Form in accordance with Instruction 3 to that Form.

(2) The entry at line 24 should be equal to the total of lines 21 to 47 in Form 14 and the amount of any cash bonuses stated in a footnote to that Form in accordance with Instruction 2 to that Form.

(3) The entries at lines 60 and 61 should not include provision for any liability to tax on capital gains referred to in paragraph 10(2) (b) of Schedule 1.

Form 10

Returns under Insurance Companies Legislation

Statement of net assets

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

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

FORM 13

Returns under Insurance Companies Legislation

Global business/UK branch business/Community branch business (Sheet 1)

Analysis of admissible assets

Business: Long Term/Other than Long Term

Name of Company

Financial year ended

Category of Assets

Company registration number	Global/ UK/CM	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 1	As at the end of the previous year 2
Land			11		
Fixed interest securities	Issued by, or guaranteed by, any government or public authority		12		
	Other fixed interest securities except those in dependants which must be included in lines 31 to 34 and any to be included in lines 61 or 62	listed	13		
		unlisted debentures	14		
		other unlisted	15		
Variable interest securities except those included at lines 21 to 34	Issued by, or guaranteed by, any government or public authority, except those included at line 17		16		
	Issued by, or guaranteed by, any government or public authority, where the capital value or interest is determined by an index of prices		17		
	Other		18		
Other variable interest investments	Equity shares except those in dependants which must be included in lines 29, 31 or 33	listed	21		
		unlisted	22		
	Holdings in authorised unit trust schemes		23		
Investments in dependants	Companies authorised to transact insurance business in the United Kingdom	Value of any shares held	29		
		Debts, other than amounts which must be included in lines 41 or 51 to 54	30		
	Other insurance companies	Value of any shares held	31		
		Debts, other than amounts which must be included in lines 41 or 51 to 54	32		
	Non-insurance companies	Value of any shares held	33		
		Debts, other than amounts which must be included in lines 41 or 51 to 54	34		
Share options and debenture options			35		
Total (11 to 35)			39		

Returns under Insurance Companies Legislation

Form 13
(Sheet 2)

Analysis of admissible assets

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Business: Long Term/Other than Long Term

Category of Assets

	Company registration number	Global/UK/CM	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 1	As at the end of the previous year 2
Loans secured by policies of insurance issued by the company			41		
Tax recoveries due from taxation authorities			42		
Deposit and current accounts with approved financial institutions, and deposits with 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 dependants 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 listed debentures (which must be included in line 13), debts due from dependants (which must be included in lines 30, 32 or 34), and debts due from individuals (which must be included in lines 64 or 66)		due more than 12 months after the end of the financial year	61		
		due in 12 months or less after the end of the financial year, or which would become due if the company exercised any right to require repayment within that period	62		
Debts except those which must be included in other lines	due more than 12 months after the end of the financial year	due from companies and unincorporated bodies of persons	63		
		due from individuals	64		
	due in 12 months or less after the end of the financial year, or which would become due if the company exercised any right to require repayment within that period	due from companies and unincorporated bodies of persons	65		
		due from individuals	66		
Total (41 to 66)			69		

Returns under Insurance Companies Legislation

Form 13
(Sheet 3)

Analysis of admissible assets

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Business: Long Term/Other than Long Term

Category of Assets

Company registration number	Global / UK/CM	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 1	As at the end of the previous year 2
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		
Linked assets	linked assets in internal linked funds (as shown in line 12 on Form 49)	85		
	other linked assets	86		
		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		

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INSTRUCTIONS FOR COMPLETION OF FORM 13

1 Long-term business: Form 13 should be completed for the total long-term business assets of the company or branch and for each fund or group of funds for which separate assets are appropriated. The word "Total" or the name of the fund should be shown against the heading "Category of assests". 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 –

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

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

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

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

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

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

Returns under Insurance Companies Legislation **Form 14**

Long Term business liabilities and margins

Name of Company

Global business/UK branch business

Financial year ended

Company registration number	Global/ UK	Period ended day	month	year	Units	For official use
F14				19	£000	

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

Instructions:

1 The entries at 14.11 and 14.15 should equal the sum of lines 9, 19 and 20 of the appropriate Form 58.

2 The amount of any cash bonuses allocated but not yet paid to policy holders, as shown in 58.18, (which together with 58.24 constitutes the balance of the long-term business funds) should be stated in a footnote.

3 The value of admissible assets representing the long term business funds is determined by deducting from the total value of the admissible assets an amount equal to the liabilities itemised in lines 21 to 47. The amount of any additional mathematical reserves included in line 51 which have been taken into account in the actuary's certificate because the amount of the mathematical reserves determined in Schedule 4 were not calculated in all respects in relation to assets valued in accordance with Part V of the Insurance Companies Regulations 1981, as shown in Form 13, should be stated in a footnote.

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Returns under Insurance Companies Legislation

Form 45

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

Name of Company

Global business/UK branch business/Community branch business

Financial year ended

Fund

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

Instructions

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

   The entry at 45.1.1 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 13.18.1.
   the entry at 45.7.1 should be equal to 13.21.1 + 13.22.1 + 13.23.1.
   the entry at 45.8.1 should be equal to 13.61.1 + part of 13.64.1
   the entry at 45.9.1 should be equal to 13.62.1+ part of 13.66.1 and
   the entry at 45.12.1 should be equal to 13.93.1 — (13.85.1 + 13.86.1).

2. The expected income is to be given as the amounts before deduction of tax which would be received in the next financial year on the assumptions that the assets will be held throughout that year and that the factors which affect income will remain unchanged but account should be taken of any changes in those factors known to have occurred by the valuation date (in particular, changes of the type *(a), (b), (c)* or *(d)* denoted in Regulation 59(5) of the Insurance Companies Regulations 1981). The figures shown in this Form should be those determined before any adjustments considered necessary because of Regulation 59(6).

3. Where a particular asset is required to be taken into account only to a specified extent by the application of the admissibility limits, the expected income from that asset should be included only to the same extent.

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

5. The entries at 45.2.3 and 45.3.3 should be the gross redemption yields calculated in accordance with Instruction number 1 to Form 46 weighted by the value of the assets shown in column 1 of that Form; the yields to be inserted in column 3 for other categories of asset should be the running yields. The entry at 45.12.3 should be the weighted average of the yields in column 3, where the weight given to each asset is the value of that asset applicable for entry into column 1; assets not producing income should be included in the calculation.

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

REQUIRED MINIMUM MARGIN – LONG TERM BUSINESS

Form 60

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

NOTES

1 For a pure reinsurer, the factor of 0.85 should be replaced by 0.50

2 After distribution of surplus

3 Line 8 equals line 7 x [5 (a) x .001 + 5 (b) x .0015 + 5 (c) x .003] for Classes I and II,

4 Any additional mathematical reserves referred to in the footnote to Form 14 shall be included on this Form.

5 The appropriate factor specified in regulations 5 (2) (a) and 6 (3) and (4) of the Insurance Companies Regulations 1981.

Returns under Insurance Companies Legislation

Form 61

Global business/UK branch business/Community branch business

Supplementary Accident and Sickness Insurance

Calculation of required margin of solvency

			The financial year 1	The previous year 2
Gross premiums receivable		1		
Premium taxes and levies (included in line 1)		2		
Sub-total A (1–2)		3		
Adjusted sub-total A if financial year is not a 12 month period to produce an annual figure		4		
Division of sub-total A (or adjusted sub-total A if appropriate)	Up to and including sterling equivalent of 10M ECU x 18/100	5		
	Excess (if any) over 10M ECU x 16/100	6		
Sub-total B (5 + 6)		7		
Claims paid		8		
Claims outstanding carried forward at end of financial year		9		
Claims outstanding brought forward at beginning of financial year		10		
Sub-total C (8 + 9 – 10)		11		
Amounts recoverable from reinsurers in respect of claims included in sub-total C		12		
Sub-total D (11–12)		13		
Required margin of solvency for Supplementary Accident and Sickness Insurance:- Sub-total B x sub-total D / sub-total C (or, if ⅓ is a greater fraction, x ½)		14		

Note

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

SCHEDULE 2 (Regulation 12)

"SCHEDULE 6 (Regulations 18 and 19)

PART I

Certificate by directors etc.

1. Subject to paragraph 7 below, the certificate required by Regulation 18*(a)* above shall state, in relation to the part of the return comprising Forms 9 to 16, 20 to 29, 31 to 37 and 40 to 51—

(a) that for the purposes of preparing the return—

(i) proper records have been maintained and adequate information has been obtained by the company, and

(ii) an appropriate system of control has been established and maintained by the company over its transactions and records;

(b) that the value shown for each category of asset has been determined in conformity with Regulation 4 above and includes the value of only such assets or such parts thereof as are permitted to be taken into account;

(c) that the amount shown for each category of liability (including contingent and prospective liabilities) has been determined in conformity with Regulation 4 above; and

(d) that in respect of the company's business which is not excluded by Regulation 27 of the Insurance Companies Regulations 1981, the assets held at the end of the financial year enabled the company to comply with Regulations 25 and 26 (matching and localisation) of the said Regulations.

2. Subject to paragraph 7 below, the certificate required by Regulation 18*(a)* above shall state in relation to the part of the return comprising a statement required by Regulation 15A, 15B, or 15BB above that, for the purposes of preparing the statement,—

(a) proper records have been maintained and, as necessary, reasonable enquiries have been made by the company for the purpose of finding whether any person and any body corporate are connected for the purposes of Regulations 15A(1)*(b)* and (2), 15B*(b)* and 15BB(1)*(b)* and (2) above, and

(b) an appropriate system of control has been established and maintained by the company over its transactions and records.

3. The certificate required by Regulation 18(a) above shall, subject to paragraph 7 below, also state separately in respect of long term business and of general business,—

(a) in the case of a United Kingdom company, a pure reinsurer or (in respect of its global business) United Kingdom deposit company or external company, that—

(i) immediately following the end of the financial year the amount of

the company's required minimum margin was as shown in Form 9; and

(ii) at the end of the financial year the amount of the company's available assets and quantifiable contingent liabilities (other than those included in Form 14 or Form 15 in accordance with paragraph 10(1) of Schedule 1 above) and the identity and value of items admitted as implicit items in accordance with Regulation 10(4) of the Insurance Companies Regulations 1981 were as shown in Form 9;

(b) in the case of a Community company (other than a United Kingdom company or a pure reinsurer) and of a Community deposit company, that the value of the admissible assets of the long term business or of the general business carried on by the company through an agency or branch in the United Kingdom was maintained at not less than the amount of the liabilities of that business;

(c) in the case of an external company (other than a pure reinsurer),—

(i) in relation to the long term business or to the general business carried on by the company through an agency or branch in the United Kingdom that—

(aa) immediately following the end of the financial year the amount of the company's required United Kingdom minimum margin was as shown in Form 9; and

(bb) at the end of the financial year the amount of the company's available assets and quantifiable contingent liabilities (other than those included in Form 14 or in Form 15 in accordance with paragraph 10(1) of Schedule 1 above) and the identity and value of items admitted as implicit items in accordance with Regulation 10(4) of the Insurance Companies Regulations 1981 were as shown in Form 9;

(ii) that the company has kept admissible assets representing the required United Kingdom minimum margin of an amount at least equal to the appropriate guarantee fund or minimum guarantee fund, whichever was the greater, within the United Kingdom and has kept admissible assets representing the remainder of that minimum margin within the United Kingdom and the other member States; and

(iii) that the deposit made in accordance with section 9(1)*(c)* of the Insurance Companies Act 1982 has been maintained at a level equal to at least the minimum as defined in Regulation 14 of the Insurance Companies Regulations 1981;

(d) in the case of a United Kingdom deposit company,—

(i) in relation to the long term business or to the business carried on by the company through agencies and branches in the member States that—

(aa) immediately following the end of the financial year the amount of the company's required Community minimum margin was as shown in Form 9; and

(bb) at the end of the financial year the amount of the company's available assets and quantifiable contingent liabilities (other than those included in Form 14 or in Form 15 in accordance with paragraph 10(1) of Schedule 1 above) and the identity

and value of items admitted as implicit items in accordance with Regulation 10(4) of the Insurance Companies Regulations 1981 were as shown in Form 9.

(ii) that the company has kept admissible assets representing the required Community minimum margin of an amount at least equal to the appropriate guarantee fund or minimum guarantee fund, whichever was the greater, within the member States concerned and has kept admissible assets representing the remainder of that minimum margin within the member States concerned and the other member States; and

(iii) that the deposit made in accordance with section 9(2) of the Insurance Companies Act 1982 has been maintained at a level equal to at least the minimum as defined in Regulation 14 of the Insurance Companies Regulations 1981.

4. If a company accounts for any of its general business over periods longer than twelve months the certificate required by Regulation 18*(a)* above shall also state subject to paragraph 7 below, that all premiums and considerations receivable in respect of any such business so accounted for (and in relation to which separate provision is not made for unearned premiums and claims outstanding) have been retained in the fund or funds of the account, subject only to—

(i) the discharge of liabilites (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.

5. If a company carries on long term business the certificate required by Regulation 18*(a)* above shall also state, subject to paragraph 7 below,—

(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 28 to 31 of the Insurance Companies Act 1982 have been fully complied with and in particular that, subject to the provisions of section 29(2) to (4) and section 30 of the Insurance Companies Act 1982, 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 for the purposes of section 31 of the Insurance Companies Act 1982 has been determined and where appropriate apportioned on terms which are believed to be no less than fair to that fund or those funds, and any exchange of assets representing such fund or funds for other assets of the company has been made at fair market value;

(c) that all guarantees given by the company of the performance by a

related company of a contract binding on the related company which would fall to be met by any long term business fund have been disclosed in the return, and that the fund or funds on which each such guarantee would fall has been identified therein; and

(d) in the case of a United Kingdom company, pure reinsurer, United Kingdom deposit company or external company which has financial, commercial or administrative links with any other company carrying on insurance business, that the returns in respect of long term business are not distorted by agreements between the companies concerned or by any arrangements which could affect the apportionment of expenses and income.

6. Except in the case of a Community company, the certificate required by Regulation 18*(a)* above shall also state, subject to paragraph 7 below, that proper accounts and records have been maintained in the United Kingdom in respect of business carried on through an agency or branch in the United Kingdom.

7.—(1) Where, in the opinion of those signing the certificate, the circumstances are such that any of the statements required by paragraphs 1 to 6 above (other than sub-paragraphs *(a)*, *(c)*(i) 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

8. The certificate required by Regulation 18(b) above to be signed by the appointed actuary—

(a) shall state, if such be the case,—

(i) that in his opinion proper records have been kept by the company adequate for the purpose of the valuation of the liabilities of its long term business;

(ii) that the mathematical reserves as shown in Form 14, together, if the case so require, with an amount specified in the certificate (being part of the excess of the value of the admissible assets representing the long term business funds over the amount of those funds shown in Form 14) constitute proper provision at the end of the financial year for the liabilities (other than liabilities which had fallen due before the end of the financial year) arising under or in connection with contracts for long term business including any increase in those liabilities arising from a distribution of surplus as a result of an investigation as at that date into the financial condition of the long term business; and

(iii) that for the purposes of sub-paragraph (ii) above the liabilities have been assessed in accordance with Part VI of the Insurance Companies Regulations 1981 in the context of assets valued in

accordance with Part V of those Regulations, as shown in Form 13; and

(b) shall state the amount of the required minimum margin, required Community minimum margin or required United Kingdom minimum margin, as the case may be, applicable to the company's long term business immediately following the end of the financial year (including any amounts resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of the long term business).

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

PART III

Auditors' report

10. The report required by Regulation 19 above shall, in addition to any statement required by section 14(4) and (6) of the Companies Act 1967(a) as applied by the said Regulation 19, state,—

(a) in the auditors' opinion, whether the parts of the return required to be audited (that is Forms 9 to 16, 20 to 29, 31 to 37 and 40 to 51 and information furnished pursuant to Regulations 15A and 15BB above) have been properly prepared in accordance with the provisions of these Regulations;

(b) in the auditors' opinion and according to the information and explanations they have received,—

(i) whether the certificate required to be signed in accordance with Regulation 18*(a)* above has been properly prepared in accordance with these Regulations; and

(ii) whether it was reasonable for the persons giving the certificate to have made the statements therein,

but, in so far as the certificate is given pursuant to paragraph 2 above only to the extent that it applies to information required by Regulation 15A and 15BB above; and

(c) that in giving their opinion the auditors have relied,—

(i) in the case of a company carrying on long term business, on the certificate of the actuary given in accordance with the requirements of Part II of this Schedule with respect to the mathematical reserves and required minimum margin, required Community minimum margin or required United Kingdom minimum margin, as the case may be, of the company; and

(ii) in the case of a company carrying on long term or general business, on the identity and value of any implicit items as they have been admitted in accordance with Regulation 10(4) of the Insurance Companies Regulations 1981."

(a) 1967 c. 81.

(Regulation 13)

SCHEDULE 3

REVOCATIONS

Number	Title	Extent of revocation
S.I. 1981/ 1656	The Insurance Companies (Accounts and Statements) (Amendment) Regulations 1981.	Regulation 5
S.I. 1982/ 305	The Insurance Companies (Accounts and Statements) (Amendment) Regulations 1982.	Regulations 14, 16(4) 19 and 20 and, in the Schedule, Form 10 and the Instructions for its completion
S.I. 1982/ 1795	The Insurance Companies (Accounts and Statements) (Amendment) (No.2) Regulations 1982.	Regulation 3(2)
S.I. 1983/ 469	The Insurance Companies (Accounts and Statements) (Amendment) (General Business Reinsurance) Regulations 1983.	Regulation 8

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations further amend the Insurance Companies (Accounts and Statements) Regulations 1980 which prescribe the form and content of the annual returns which insurance companies authorised to carry on business in the United Kingdom are required to make to the Secretary of State. They also amend the Industrial Assurance Companies (Accounts and Statements) Regulations which adapt those Regulations in relation to industrial assurance companies.

The principal amendments are as follows.

The Insurance Companies Regulations 1981 (S.I. 1981/1654), among other things, prescribe the margin of solvency to be maintained by an insurance company which carries on long term insurance business and to which Part II of the Insurance Companies Act 1982 applies. New forms are therefore introduced, by amendment to Schedules 1 and 4 to the Insurance Companies (Accounts and Statements) Regulations 1980, upon which an insurance company is to demonstrate the amount of its required margin of solvency in respect of that business, the amount of its actual margin of solvency and how these amounts have been calculated (Regulations 8 and 10). The directors', actuary's and auditors' certificates described in Schedule 6 to those Regulations are amended to take account of the additional information (Regulation 10).

The Industrial Assurance Companies (Accounts and Statements) Regulations 1980 are amended so as to apply in relation to industrial assurance companies the amendments described above together with amendments previously made to the Insurance Companies (Accounts and Statements) Regulations 1980.

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