

**INTERIM PRUDENTIAL SOURCEBOOK FOR INSURERS
(MINOR CHANGES) INSTRUMENT 2002**

Powers exercised

- A. The Financial Services Authority amends the Interim Prudential sourcebook for insurers in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the "Act"):
- (1) section 138 (General rule-making power);
 - (2) section 150(2) (Actions for damages);
 - (3) section 156 (General supplementary powers).
- B. The provisions of the Act relevant to making rules and listed above are specified for the purpose of section 153(2) of the Act (Rule-making instruments).

Commencement

- C. This instrument comes into force on 1 October 2002.

Amendment of the Interim Prudential sourcebook for insurers

- D. IPRU(INS) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Interim Prudential Sourcebook for Insurers (Minor Changes) Instrument 2002.

By order of the Board
18 July 2002

ANNEX

Amendments to IPRU(INS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Rule 2.10(6) For the purposes of the *Margins of Solvency Rules* and the definition of *non-directive insurer*, the exchange rate from the Euro to the pound sterling for each year beginning on 31 December is the rate applicable on the last day of the preceding October for which the exchange rates for the currencies of all the European Union member states were published in the Official Journal of the European Communities.

Rule 9.6(6) There must be deposited with every revenue ‘account’ and ‘balance sheet’ of an *insurer* any report on the affairs of the *insurer* submitted to the shareholders or *policy holders* of the *insurer* in respect of the *financial year* to which the ‘account’ and ‘balance sheet’ relate. Where a financial statement or other report on the affairs of the *insurer* has not been submitted at the time the revenue 'account' and 'balance sheet' are deposited, it must be deposited as soon as possible after it is submitted.

Paragraph (d) of the definition of *industrial assurance business* in rule 11.1:

contracts of insurance for £25 or more effected after the passing of the Industrial Assurance Act 1923, premiums in respect of which are payable at intervals of one month or more, and which are treated as part of the business transacted by a branch other than the industrial branch of the society or company, in cases where the ~~FSA~~ certifies relevant authority certified prior to 1 December 2001 under section 1(2)(d) of that Act that the terms and conditions of such contracts are on the whole not less favourable to the ~~assured~~ *policy holders* than those imposed by that Act.