

## **INSURANCE REGULATORY REPORTING INSTRUMENT 2005**

### **Powers exercised**

- A. The Financial Services Authority makes this instrument 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);
  - (4) section 157 (Guidance); and
  - (5) section 340 (Appointment of auditors and actuaries).
- B. The rule-making powers 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 31 December 2005.

### **Amendment of the Interim Prudential sourcebook for Insurers**

- D. The Interim Prudential sourcebook for Insurers is amended in accordance with the Annex to this instrument.

### **Citation**

- E. This instrument may be cited as the Insurance Regulatory Reporting Instrument 2005.

By order of the Board  
20 January 2005

## **Annex**

### **Amendments to the Interim Prudential sourcebook for Insurers**

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is deleted or inserted, the place where the change is made is indicated and the text is not struck through or underlined.

## **INTERIM PRUDENTIAL SOURCEBOOK FOR INSURERS**

### **CONTENTS**

#### **VOLUME ONE**

...

#### **Chapter 11 Definitions**

...

#### Annex 11.3 Descriptions of FSA general insurance business reporting categories

...

#### **Chapter 9**

#### **FINANCIAL REPORTING**

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#### **CONTENTS**

#### **Part I - Accounts and statements**

...

#### 9.14A Allocation of general insurance business to risk categories

#### 9.14B Allocation of contracts of insurance covering more than one risk category

#### 9.15 ~~Additional information on general insurance business (accounting classes and discounting)~~ General insurance business (content of revenue account and additional information as to balance sheet)

#### 9.16 ~~Business categories for general insurance business (reinsurance treaties accepted)~~ [deleted]

#### 9.17 Additional information on general insurance business (treaty reinsurance business ~~treaties accepted~~)

#### 9.18 ~~Risk groups for general insurance business~~ [deleted]

...

9.20 ~~Additional information on general insurance business (direct and facultative reconciliation business)~~ FSA general insurance business reporting categories for business falling below de minimis criteria

9.20A Further information on general insurance business to ensure adequate coverage in the return

...

9.22 Additional information on general insurance business (~~other than credit insurance business~~ claims equalisation provisions)

...

## Part I

### ACCOUNTS AND STATEMENTS

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#### Interpretation

9.2 ...

(3) In the *Accounts and Statements Rules*, any reference to *long term business* or to *general insurance business* is -

- (a) in relation to an *external insurer* (~~other than a pure reinsurer~~), to its entire *long-term insurance business* or to its entire *general insurance business* and (except in the case of a pure reinsurer) to any *long-term insurance business* or *general insurance business* carried on by it through a branch in the United Kingdom; and
- (b) in relation to a *UK-deposit insurer*, to its entire *long-term insurance business* or to its entire *general insurance business* and to any *long-term insurance business* or *general insurance business* carried on by it through a branch in any *EEA 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 to them) relevant to *long-term insurance business* or to *general insurance business* is to, or imposes a requirement in respect of –

- (i) accounts prepared in respect of its entire *long-term insurance business* or entire *general insurance business*; and
- (ii) accounts prepared in respect of the *long-term insurance business* or the *general insurance business* carried on, in the case of an *external insurer* (other than a pure reinsurer), by the branch in the United

Kingdom and, in the case of a *UK-deposit insurer*, by the branches in question in the *EEA States* taken together.

(4) In the *Accounts and Statements Rules* and in Chapter 12 –

- (a) any reference to a numbered Form is a reference to the Form so numbered in **Appendices 9.1 to 9.4 9.3**; and
- (b) references to a numbered *class of insurance business* are references to the *class* so numbered in either **Annex 11.1** or **11.2**; and
- (c) references to a numbered *FSA general insurance business reporting category* are references to the *FSA general insurance business reporting category* so numbered in **Annex 11.3**.

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**Balance sheet**

9.12 ...

(6) **Form 14** must be completed by every *long-term insurer* in respect of -

- (a) its total *long-term insurance liabilities* and margins; and
- (b) the *long-term insurance liabilities* and margins for each *long-term insurance fund* or where *long-term insurance assets* have been appropriated in respect of a group of funds, for the group; and
- (c) subject to (6A), except where the information is provided by virtue of (a) or (b), each *with-profits fund*, with a supplementary note stating the amount, if any, of the increase or decrease, as the case may be, in the value of *non-linked assets*.

(6A) Where the amount (or part of the amount) of any increase or decrease in the value of *non-linked assets* has yet to be allocated between *with-profits funds* or between one or more *with-profits funds* and other purposes, the note required by (6) must state the total amount which has yet to be aggregated:

- (a) identifying the *with-profits funds* to which the information relates; and
- (b) describing the basis upon which increases or decreases in the value of *non-linked assets* are, or will be, allocated between the *with-profits funds* or between the *with-profits funds* and other purposes.

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## Revenue account

9.14 The revenue account to be prepared by every *insurer* under rule 9.3 -

- (a) in the case of an *insurer* carrying on *general insurance business*, must comply with the requirements of **Appendix 9.2** and must be in **Form 20** ~~and separate accounts must be prepared in Form 20 in respect of each accounting class as well as a summary account in that Form in~~ respect of the whole of the *general insurance business* carried on by it; and
- (b) in the case of an *insurer* carrying on *long-term insurance business*, must comply with the requirements of **Appendix 9.3** and must be in **Form 40** and -
  - (i) separate accounts must be prepared in **Form 40** in respect of:
    - (A) each *long-term insurance fund* maintained by it, and
    - (B) except where the information is provided by virtue of (A), each *with-profits fund*, with a supplementary note [code 4010] stating the amount, if any, of investment income relating to *linked assets* included at line 12; and
  - (ii) where there is more than one ~~fund for ordinary long-term insurance business or for industrial assurance business~~ Form 40 under (i) above, the *insurer* must also prepare a summary **Form 40** ~~for ordinary long-term insurance business or for industrial assurance business, as the case may require~~ the total long-term insurance business.

## Allocation of general insurance business to risk categories

9.14A Every *insurer* preparing the Forms required under rules 9.15, 9.17, 9.19, 9.20 and 9.20A must allocate its *general insurance business* to one or more *risk categories*.

## Allocation of contracts of insurance covering more than one risk category

- 9.14B (1) This rule applies in any case where a *contract of insurance* falls within the description of more than one *risk category*.
- (2) If the *contract of insurance* falls, to any extent, within the description of *risk category* 274, 590 or 690, an *insurer* must allocate all the *general insurance business* represented by that *contract of insurance* to that *risk category*.
- (3) In any other case, an *insurer* must, unless (4) applies, allocate all the *general insurance business* represented by the *contract of insurance* to the single *risk*

category that, in the reasonable opinion of the insurer's governing body, best describes the risk covered by the contract of insurance.

(4) If:

- (a) the premium payable under the contract of insurance is separable into components relating to different risk categories; or
- (b) in the reasonable opinion of the insurer's governing body, allocation under (3) would be misleading;

then the insurer must apply a reasonable method to allocate the general insurance business represented by the contract of insurance amongst the appropriate risk categories and must apportion the amounts it reports in the Forms accordingly.

**Additional information on general insurance business (accounting classes and discounting) General insurance business (content of revenue account and additional information as to balance sheet)**

9.15 (1) Every insurer which carries on general insurance business must, in accordance with the requirements of **Appendix 9.2**, prepare ~~in respect of each accounting class -~~

- (a) **Form 20A** in respect of the whole of the *general insurance business* carried on by it;
- (b) **Form 20** in respect of each *required category*;
- ~~(a)~~ (c) **Forms 21, 22 and 23** for *insurance business accounted for* on an 'accident year basis' in respect of each required category; and
- ~~(b)~~ (d) **Forms 24 and 25** for *insurance business accounted for* on an 'underwriting year basis' in respect of each required category.

(2) For the purposes of ~~(1)~~ this rule and rules 9.17(1), 9.19(1) and 9.22(2), business must be taken to be *accounted for* on an **underwriting year basis** where it relates to risks -

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Rule 9.16 is deleted in its entirety.

**~~Business categories for general insurance business (reinsurance treaties accepted)~~**

9.16 [deleted]

**Additional information on general insurance business (treaty reinsurance business ~~treaties accepted~~)**

- 9.17 (1) Every *insurer* which carries on *general insurance business* must, ~~in relation to each *insurance business category* to which *insurance business* has been allocated for the purposes of rule 9.16,~~ in accordance with the requirements of **Appendix 9.2** prepare -
- (a) **Forms 26 and 27** for *treaty reinsurance business* ~~reported on Forms 21, 22 and 23~~ accounted for on an 'accident year basis' in respect of each *required category*; and
  - (b) **Forms 28 and 29** for *treaty reinsurance business* ~~reported on Forms 24 and 25~~ accounted for on an 'underwriting year basis' in respect of each *required category*.

Rules 9.17(2) and 9.17(3) are deleted in their entirety.

(2) [deleted]

(3) [deleted]

Rule 9.18 is deleted in its entirety.

**~~Risk groups for general insurance business~~**

9.18 [deleted]

**Additional information on general insurance business (direct and facultative business)**

- 9.19 (1) Every *insurer* which carries on *general insurance business* must, ~~with respect to the *financial year in question* and in relation to each country and each risk group (as classified by it under rule 9.18),~~ prepare in accordance with the requirements of **Appendix 9.2**, prepare -
- (a) **Forms 31 or 32** for *direct and facultative insurance business*, ~~other than *insurance business* falling within *accounting class 2*,~~ reported on **Forms 21, 22 and 23**; accounted for on an 'accident year basis' in respect of each *required category*; and
  - (b) **Form 324** for *direct and facultative insurance business* ~~falling within *accounting class 2*~~ reported on **Forms 21, 22 and 23**; and accounted for on an 'underwriting year basis' in respect of each *required category*.
  - (c) **Form 34** for *direct and facultative insurance business* ~~reported on Forms 24 and 25.~~

Rule 9.19(2) is deleted in its entirety.

(2) [deleted]

...

~~Additional information on general insurance business (direct and facultative reconciliation business)~~ FSA general insurance business reporting categories falling below de minimis criteria

Paragraphs 9.20 (1) and (2) are deleted and replaced by the following paragraphs.

- 9.20 (1) This rule applies to any *financial year* after the first *financial year* ended on or after 31 December 2005 in any case where -
- (a) for the previous *financial year*, an *insurer* was required to prepare a **Form 20 to 34** for a category of business (as set out in column 2 of paragraph 2B of **Appendix 9.2**) that was not *category number* 001 to 003, 409 or 709; and
  - (b) for the *financial year in question*, the 'reporting criteria' for that Form and category of business are not met.
- (2) In this rule, any references to 'reporting criteria', in relation to a Form, are the reporting criteria specified for that Form in column 3 in the Table in paragraph 2B of **Appendix 9.2**.
- (3) Unless paragraph (4) applies, any such business that satisfies (1) must be reported in the same category of business (as set out in column 2 of paragraph 2B of **Appendix 9.2**) in the same Form for the *financial year in question*.
- (4) An *insurer* may cease to report such business on that Form in that category of business if -
- (a) the *gross written premiums* in the *financial year in question* and the 'gross undiscounted provisions' at the end of that *financial year* for that category of business are each less than £0.5m; or
  - (b) the following conditions are met –
    - (i) the *financial year in question* ended on or after 31 December 2008;
    - (ii) the business in 1(a) has been reported on that Form for that category of business in each of the three previous *financial years*; and
    - (iii) the *gross written premiums* in the *financial year in question* and the 'gross undiscounted provisions' at the end of that *financial year* for that category of business are each less than 50% of the amounts



respectively specified in the 'reporting criteria' for that Form in respect of that category of business.

- (5) For the purpose of this rule, rule 9.20A and paragraph 2B of **Appendix 9.2**, **gross undiscounted provisions** are gross undiscounted reported claims outstanding plus gross undiscounted incurred but not reported claims plus gross provision for unearned premiums plus provision for unexpired risks.

**Further information on general insurance business to ensure adequate coverage in the return**

9.20A If the total of all 'gross undiscounted provisions' in all the **Forms 26 to 29, 31, 32 and 34** required under rules 9.17, 9.19 and 9.20, or included despite rule 9.20(4), is less than 80% of the *insurer's* total 'gross undiscounted provisions', the *insurer* must prepare **Forms 26 to 29, 31, 32 and 34**, as appropriate, for further categories of business (as set out in column 2 of paragraph 2B of **Appendix 9.2**) in decreasing order of size (measured in 'gross undiscounted provisions'), until the 80% criterion is met.

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**Additional information on general insurance business (claims equalisation provisions)**

- 9.22 (1) ...
- (2) ...
- (a) ...
- (b) **Form 38** for *general insurance business* ~~business reported on **Forms 21, 22 and 23**~~ accounted for on an 'accident year basis'; and
- (c) **Form 39** for *general insurance business* ~~business reported on **Forms 24 and 25**~~ accounted for on an 'underwriting year basis'.

**Additional information on long-term insurance business**

- 9.23 Every *insurer* which carries on *long-term insurance business* must, in respect of the *financial year in question*, and in accordance with the requirements of **Appendix 9.3**, prepare –
- (a) **Forms 41 to 45** in respect of each revenue account prepared separately under rule 9.14(b)(i); ~~and~~
- (b) summary **Forms 41 to 44-45** in respect of each if a summary **Form 40** is required prepared under rule 9.14(b)(ii); and

(c) **Forms 46 to 59B** and, except in the case of an *EEA-deposit insurer*, **Form 60**.

as appropriate, together with the information specified in relation to those Forms.

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#### **Valuation report on long-term insurance business**

9.31

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- (a) for the purposes of rule 9.4 other than in relation to the calculation required by rule 9.4(2)(c), a valuation report which, ~~– treating ordinary long term insurance business and industrial assurance business separately,~~ complies with the requirements of **Appendix 9.4** and contains the information specified in that Appendix; and

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## Chapter 11

### DEFINITIONS

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#### PART I

#### DEFINITIONS

##### 11.1

The following definitions are deleted:

*accounting class*

*business categories*

*general insurance business class 1(p)*

The following definition is amended:

<i>home foreign business</i>	<i>general insurance business carried on <del>written</del> in the United Kingdom primarily relating to risks situated outside the United Kingdom, but excluding insurance business in <del>accounting classes 3, 4 and 5</del> category numbers 330, 340 and 350 and insurance business where the risk commences in the United Kingdom</i>
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Insert the following new definitions in the appropriate alphabetical order:

<i><u>balancing category</u></i>	<i><u>an FSA general insurance business reporting category to which any of the category numbers 409 or 709 has been allocated in column 1 of Annex 11.3</u></i>
<i><u>category number</u></i>	<i><u>the category number for the FSA return general insurance business reporting categories listed in column 1 of Annex 11.3</u></i>
<i><u>combined category</u></i>	<i><u>an FSA general insurance business reporting category to which any of the category numbers 001, 002, 003, 110, 120, 180, 220, 260, 270, 280, 330, 340, 500 or 600 has been allocated in column 1 of Annex 11.3</u></i>
<i><u>exemption category</u></i>	<i><u>an FSA general insurance business reporting category to which the category numbers 114(p) or 710(p) have been allocated in column 1 of Annex 11.3</u></i>
<i><u>FSA general insurance business reporting category</u></i>	<i><u>a category of general insurance business that consists of the effecting or carrying out of contracts of general insurance falling within the description in column 2 of Annex 11.3</u></i>

<u>miscellaneous category</u>	<u>an FSA return general insurance business reporting category to which the category numbers 400 or 700 have been allocated in column 1 of <b>Annex 11.3</b></u>
<u>Product code</u>	<u>has the meaning given in paragraph 3 of the Instructions for completion of <b>Form 47</b> in <b>Appendix 9.3</b></u>
<u>required category</u>	<p><u>in relation to a Form in the return, a category of general insurance business set out in column 2 of the Table in Paragraph 2B of <b>Appendix 9.2</b> that -</u></p> <p>(a) <u>is, or is included in, an FSA general insurance business reporting category for which the Table in Paragraph 2A of <b>Appendix 9.2</b> contains a tick in the row for that FSA general insurance business reporting category and in the column for that Form; and</u></p> <p>(b) <u>either:</u></p> <p style="padding-left: 40px;">(i) <u>meets the reporting criteria specified in the entry in column 3 of that Table that corresponds to the entry in column 2 for that the category of general insurance business and the entry in column 1 for that Form, or</u></p> <p style="padding-left: 40px;">(ii) <u>is required for that Form under rule 9.20.</u></p>
<u>risk category</u>	<u>any FSA general insurance business reporting category that is not a combined category, or balancing category or exemption category</u>

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After IPRU(INS) Chapter 11 Annex 11.2 insert the following new Annex 11.3.

## ANNEX 11.3

### DESCRIPTIONS OF FSA GENERAL INSURANCE BUSINESS REPORTING CATEGORIES

#### Part I

**Categories to which contracts of general insurance business are to be allocated for the purpose of reporting in the return**

Categ-ory Num-ber	FSA general insurance business reporting category	Map to classes of business in Annex A of 73/239/EEC
001	<b>Total Business</b> ( <i>category numbers</i> 002 and 003 combined).	N/A
002	<b>Total Primary (Direct) and Facultative Business</b> ( <i>category numbers</i> 110, 120, 160, 180, 220, 260, 270, 280, 330, 340, 350 and 400 combined).	N/A
003	<b>Total Treaty Reinsurance Accepted Business</b> ( <i>category numbers</i> 500, 600 and 700 combined).	N/A
	<b>PRIMARY (DIRECT) and FACULTATIVE PERSONAL LINES BUSINESS</b>	
110	<b>Total primary (direct) and facultative accident &amp; health</b> ( <i>category numbers</i> 111 to 114 combined).	
111	<b>Medical expenses</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) providing benefits in the nature of indemnity, with or without limit, against risks of loss to the persons insured attributable to their incurring the cost of medical treatment for sickness or infirmity or injuries sustained.	1,2
112	<b>HealthCare cash plan</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) providing fixed pecuniary benefits against risks of the persons insured requiring health care for sickness, infirmity or injuries sustained.	2
113	<b>Travel</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against a combination of risks of loss to the persons insured attributable to their travelling, or to their making of travel arrangements, and which fall within <i>classes</i> 1, 2, 8, 9, 17 or 18 and do not fall within <i>category number</i> 160 (Household and domestic all risks).	1,2,8,9,17,18
114	<b>Personal accident or sickness</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) which fall within <i>classes</i> 1 or 2 and which do not fall within <i>category numbers</i> 111 (Medical expenses), 112 (HealthCare cash plans), 113 (Travel), 114(p), 182 (Creditor).	1,2
114(p)	<b>Personal accident as a result of insured travelling as a passenger</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against risks of death of, or injury to, passengers which the insurer elects to allocate to <i>category numbers</i> 121 to 123, 221 to 223, 331 to 333 or 341 to 347, notwithstanding that they would also fall within the definition of <i>category number</i> 114.	1

120	<b>Total primary (direct) and facultative personal motor business</b> ( <i>category numbers 121 to 123 combined</i> ).	3,10
121	<p><b>Private motor comprehensive</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of, or damage to, motor vehicles used on land and against the risks of the persons insured incurring liabilities to third parties arising out of or in connection with the use of motor vehicles on land, where the motor vehicle has more than two wheels and is not a motorcycle with side-car and:</p> <p>(a) the primary purpose of each vehicle insured on the contract is to transport nine or fewer non-fare paying persons and each motor vehicle insured on the contract is individually rated;</p> <p>(b) the primary purpose of each vehicle insured on the contract is to transport nine or fewer non-fare paying persons, the persons insured are not a body corporate or partnership, and the number of vehicles insured on the contract is three or less; or</p> <p>(c) the primary purpose of each vehicle insured on the contract is to transport ten or more non-fare paying persons, the persons insured are not a body corporate or partnership and each motor vehicle insured on the contract is individually rated.</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number 114(p)</i> which the insurer elects to allocate to this category.</p>	3,10
122	<p><b>Private motor non-comprehensive</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against the risks of the persons insured incurring liabilities to third parties arising out of or in connection with the use of motor vehicles on land or against loss of or damage to motor vehicles used on land arising only from fire or theft, where the motor vehicle has more than two wheels and is not a motorcycle with side-car and:</p> <p>(a) the primary purpose of each vehicle insured on the contract is to transport nine or fewer non-fare paying persons and each motor vehicle insured in the contract is individually rated; .</p> <p>(b) the primary purpose of each vehicle insured on the contract is to transport nine or fewer non-fare paying persons, the persons insured are not a body corporate or partnership, and the number of vehicles insured on the contract is three or less; or</p> <p>(c) the primary purpose of each vehicle insured on the contract is to transport ten or more non-fare paying persons and the persons insured are not a body corporate or partnership and each motor vehicle insured on the contract is individually rated.</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category numbers 114(p)</i> which the insurer elects to allocate to this category.</p>	3,10
123	<p><b>Motor cycle</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of or damage to two-wheeled motor vehicles or motor cycles with a side car used on land and or against the risks of the persons insured incurring liabilities to third parties arising out of or in connection with the use of such vehicles on land.</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number 114(p)</i> which the insurer elects to allocate to this category.</p>	3,10

160	<p><b>Primary (direct) and facultative household and domestic all risks.</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of or damage to any of:</p> <ul style="list-style-type: none"> <li>(a) structure of domestic properties,</li> <li>(b) contents of domestic properties, or</li> <li>(c) contents of domestic properties and personal items.</li> </ul> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of or damage to structure of domestic properties and against risks to the persons insured incurring liabilities to third parties arising out of injuries sustained within the boundary of a domestic property.</p>	8,9
180	<p><b>Total primary (direct) and facultative personal lines financial loss business</b>  <i>(category numbers 181 to 187 combined).</i></p>	
181	<p><b>Assistance</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) which:</p> <ul style="list-style-type: none"> <li>(a) fall within <i>class 18</i> (such as contracts relating to vehicle assistance, household assistance and legal expense helpline); and</li> <li>(b) do not fall within <i>category number 113</i> (Travel).</li> </ul>	18
182	<p><b>Creditor</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against the risk that the persons insured sustain injury, suffer sickness or infirmity, suffer loss of income due to causes that may or may not be specified in the contract, where the benefits payable under the contract relate to loans, credit card balances or other debts and the contract does not fall within <i>category number 185</i> (Mortgage indemnity).</p>	1,2,16
183	<p><b>Extended warranty</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against the risks of loss to the persons insured attributable to failure of a product, where the purpose of the contract is to put the persons insured in the position as if the manufacturer's or vendor's warranty on the product is extended for a period of time or is extended in scope.</p>	16
184	<p><b>Legal expenses</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against risks of loss to the persons insured attributable to their incurring legal expenses including cost of litigation that do not fall within <i>category number 120</i>.</p>	17
185	<p><b>Mortgage indemnity</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against risks of loss to the persons insured arising from the failure of debtors of theirs to pay debts relating to the purchase of a property when due and the persons insured being unable to recover the full amount of any outstanding debt by selling the property concerned.</p>	14
186	<p><b>Pet insurance</b>  <i>Contracts of insurance</i> (other than treaty reinsurance) against risk of loss to the person insured attributable to sickness of or accidents to domestic pets.</p>	16
187	<p><b>Other personal financial loss</b>  <i>Contracts of insurance</i> (other than treaty reinsurance) against risk of loss to the person insured attributable to:</p> <ul style="list-style-type: none"> <li>(a) loss, breakdown or reduction in value of a personal item that attach to the purchase of that item, or</li> <li>(b) to an event not taking place as intended</li> </ul>	16

	where the persons insured are not a body corporate or partnership and the <i>contracts of insurance</i> do not fall within <i>category numbers</i> 113, 160 or 181 to 186.	
	<b>PRIMARY (DIRECT) and FACULTATIVE COMMERCIAL LINES BUSINESS</b>	
220	<b>Total primary (direct) and facultative commercial motor business</b> ( <i>category numbers</i> 221 to 223 combined).	3,10
221	<p><b>Fleets</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of, or damage to, motor vehicles used on land and / or against the risks of the persons insured incurring liabilities to third parties arising out of or in connection with the use of motor vehicles on land, where the motor vehicle has more than two wheels and is not a motorcycle with side-car and:</p> <p>(a) the primary purpose of the vehicle insured on the contract is to transport non-fare paying persons;</p> <p>(b) the motor vehicles insured on the contract are not individually rated (that is, the premium charged is for the contract as a whole and either the firm does not disclose or record for internal management purposes a separate premium for each vehicle insured on the contract, or the premium for the contract is not necessarily the same as the sum of the premiums that would have been charged had the firm insured the vehicles under a private motor policy); and</p> <p>(c) the contract does not fall within <i>category numbers</i> 121 (private motor comprehensive) or 122 (private motor non-comprehensive)</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number</i> 114(p) which the insurer elects to allocate to this category.</p>	3,10
222	<p><b>Commercial vehicles (non-fleet)</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of, or damage to, motor vehicles used on land and / or against the risks of the persons insured incurring liabilities to third parties arising out of or in connection with the use of motor vehicles on land, where:</p> <p>(a) the persons insured are a body corporate or partnership; and</p> <p>(b) the primary purpose of the vehicles insured on the contract is to transport ten or more persons, to transport goods or for construction.</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number</i> 114(p) which the insurer elects to allocate to this category.</p>	3,10
223	<p><b>Motor other</b>  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) which:</p> <p>(a) fall within <i>classes</i> 3 or 10; and</p> <p>(b) do not fall within <i>category numbers</i> 120, 221 or 222.</p> <p>This category includes <i>contracts of insurance</i> relating to motor trade and taxis.</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number</i> 114(p) which the insurer elects to allocate to this category.</p>	3,10
260	<b>Total primary (direct) and facultative commercial lines property business</b> ( <i>category numbers</i> 261 to 263 combined).	N/A
261	<b>Commercial property (including livestock and crops but excluding energy)</b>	4,8,9



	<p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against:</p> <ul style="list-style-type: none"> <li>(a) loss of or damage to commercial property; or</li> <li>(b) loss of or damage to commercial property and risks that fall within the definition of <i>category number 262</i> (consequential loss), where the premium for the contract is rated on a single package basis and no separately identifiable premium for either the property loss or the consequential loss is charged or recorded for internal management purposes.</li> </ul> <p>This category does not include <i>contracts of insurance</i> that fall within <i>category number 160</i> (Household), 263 (Contractors or engineering all risks), 274 (Mixed commercial package) or 343 (Energy).</p>	
262	<p><b>Consequential loss (i.e. business interruption)</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against risks of loss to the persons insured attributable to interruptions of the business carried on by them, or to the reduction of the scope of the business so carried out, which result from perils insured against or other events (whether or not specified in the contract).</p> <p>This category does not include <i>contracts of insurance</i> that fall within <i>category number 261</i> (Commercial property).</p>	16
263	<p><b>Contractors or engineering all risks</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of or damage to property or equipment, or against the risks of the persons insured incurring liabilities to third parties, which arise from, or are attributable to:</p> <ul style="list-style-type: none"> <li>(a) materials and works in progress during construction,</li> <li>(b) extension or renovation work,</li> <li>(c) temporary sites,</li> <li>(d) breakdown or malfunction of or damage to plant and machinery,</li> <li>(e) use of equipment hired or owned by the persons insured, or</li> <li>(f) similar types of activities.</li> </ul> <p>This category excludes <i>contracts of insurance</i> that fall within <i>category number 274</i> (Mixed commercial package).</p>	8,9,13
270	<p><b>Total primary (direct) and facultative commercial lines liability business</b> (<i>category numbers 271 to 274</i> combined).</p>	N/A
271	<p><b>Employers liability (including the employers liability part of mixed liability packages but excluding mixed commercial packages)</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against the risks of the persons insured incurring liabilities to their employees for injury, illness or death arising out of their employment during the course of business.</p> <p>This category excludes <i>contracts of insurance</i> that fall within <i>category number 274</i> (Mixed commercial package).</p>	13
272	<p><b>Professional indemnity (including directors' and officers' liability and errors and omissions liability)</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against the risks of the persons insured incurring liabilities to third parties arising from wrongful acts (such as breach of duty, breach of trust, negligence, errors or omissions) by professionals, named individuals or businesses occurring in the course of the insured's professional activities.</p>	13
273	<p><b>Public and products liability</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against the risks of the persons insured incurring liabilities to third parties for damage to property, injury, illness or death,</p>	13

	arising in the course of the insured's business, that do not fall within <i>category numbers</i> 120 (Personal motor), 160 (Household and domestic all risks), 220 (Commercial motor), 263 (Contractors or engineering all risks), 271 (Employers liability), 272 (Professional indemnity) or 274 (Mixed commercial package).	
274	<b>Mixed commercial package</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against more than one of: <ul style="list-style-type: none"> <li>(a) loss of or damage to property;</li> <li>(b) risks to the persons insured incurring liabilities to third parties;</li> <li>(c) risks of loss to the persons insured arising from the failure of debtors of theirs to pay their debts when due;</li> <li>(d) risks of loss to the persons insured attributable to interruptions of business carried on by them;</li> <li>(e) risks of loss to the persons insured attributable to their incurring unforeseen expenses; or</li> <li>(f) any other risk of loss to a commercial operation;</li> </ul> where the risks and losses covered in the contract are rated on a single package basis and no separately identifiable premium is charged or recorded for internal management purposes for any one group of risks or losses specified in the contract.  This category excludes <i>contracts of insurance</i> that fall with <i>category number</i> 261 (Commercial property).	8,9,13,14,16,17
280	<b>Total primary (direct) and facultative commercial lines financial loss business</b> ( <i>category numbers</i> 281 to 284 combined).	
281	<b>Fidelity and contract guarantee</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against risks of loss to the persons insured arising from the theft or misappropriation of money or goods by employees, or attributable to failure to complete a contract on time.	16
282	<b>Credit</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against risks of loss to the persons insured arising from the insolvency of debtors of theirs or from the failure (otherwise than through insolvency) of debtors of theirs to pay their debts when due, and which do not fall within <i>category number</i> 185 (Mortgage indemnity).	14
283	<b>Suretyship</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) which fall within <i>class</i> 15.	15
284	<b>Commercial contingency:</b> <i>Contracts of insurance</i> (other than treaty reinsurance) against risk of loss to the person insured attributable to an event not taking place as intended where the persons insured are a body corporate or partnership.	16
	<b>PRIMARY (DIRECT) and FACULTATIVE AVIATION, MARINE AND TRANSPORT</b>	
330	<b>Total primary (direct) and facultative aviation business</b> ( <i>category number</i> 331 to 333 combined).	N/A
331	<b>Aviation liability (including liability part of airline packages)</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against: <ul style="list-style-type: none"> <li>(a) damage arising out of, or in connection with, the use of aircraft; or</li> <li>(b) the risks of the persons insured incurring liabilities to third parties, or carrier's</li> </ul>	11

	<p>liabilities, arising out of, or in connection with, the use of aircraft.</p> <p>This category excludes contracts that fall within <i>category numbers</i> 332 (Aviation hull) or 333 (Space and satellite) and risks relating to use of hovercraft.</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number</i> 114(p) which the insurer elects to allocate to this category.</p>	
332	<p><b>Aviation hull (including hull part of airline packages)</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) loss of or damage to aircraft, or the machinery, tackle, furniture or equipment of aircraft.</p> <p>This category excludes contracts that fall within <i>category number</i> 333 (Space and satellite) and risks relating to use of hovercraft.</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number</i> 114(p) which the insurer elects to allocate to this category.</p>	5
333	<p><b>Space and satellite</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) upon satellites, aircraft or the machinery, tackle, furniture or equipment of satellites or aircraft.</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against:</p> <ul style="list-style-type: none"> <li>(a) damage arising out of or in connection with the use of satellites or aircraft; or</li> <li>(b) the risks of the persons insured incurring liabilities to third parties arising out of or in connection with the use of satellites or aircraft;</li> </ul> <p>where any aircraft insured in the contract is intended to transport satellites or to travel to, or be transported to, beyond the earth's atmosphere.</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number</i> 114(p) which the insurer elects to allocate to this category.</p>	5,11
340	<p><b>Total primary (direct) and facultative marine business</b> (<i>category numbers</i> 341 to 347 combined).</p>	N/A
341	<p><b>Marine liability</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against damage, or against the risks of the persons insured incurring liabilities to third parties or carrier's liabilities, arising out of or in connection with the use of vessels on the sea or on inland water (including hovercraft), and which do not fall within <i>category numbers</i> 342 (Marine hull) or 347 (Yacht).</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number</i> 114(p) which the insurer elects to allocate to this category.</p>	12
342	<p><b>Marine hull</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of or damage to vessels on the sea or on inland water (including hovercraft), or upon the machinery, tackle, furniture or equipment of such vessels, which do not fall within <i>category numbers</i> 346 (War risks) or 347 (Yacht).</p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number</i> 114(p) which the insurer elects to allocate to this category.</p>	6
343	<p><b>Energy (on and off-shore)</b></p> <p><i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of or damage to property, or against the risks of the persons insured incurring liabilities to third parties, arising from the undertaking of energy operations on both land and sea.</p> <p><i>Contracts of insurance</i> other than treaty reinsurance that fall within the definition of <i>category</i></p>	6,8,9,12,13

	<i>number 114(p) which the insurer elects to allocate to this category.</i>	
344	<b>Protection and indemnity</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against the risks of the persons insured incurring liabilities to third parties for damage to property, injury, illness or death on board vessels on the sea or inland water or at locations associated with the operation of such vessels such as docks, arising from the negligence of the owner of or individuals responsible for the vessels.  <i>Contracts of insurance</i> other than treaty reinsurance that fall within the definition of <i>category number 114(p)</i> which the insurer elects to allocate to this category.	13
345	<b>Freight demurrage and defence</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against risks of loss to the persons insured attributable to their incurring legal expenses (including costs of litigation) arising from loss of or damage to goods during a period of transit that included, or was due to include, transport of the goods via sea or inland water.  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number 114(p)</i> which the insurer elects to allocate to this category.	17
346	<b>War risks</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of or damage to property or mass transportation vehicles arising from war, civil war, revolution, rebellion, insurrection or hostile act by a belligerent power.  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number 114(p)</i> which the insurer elects to allocate to this category.	6
347	<b>Yacht</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) upon vessels on the sea or on inland water.  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against: (a) damage arising out of or in connection with the use of vessels on the sea or on inland water, or upon the machinery, tackle, furniture or equipment of such vessels; or (b) the risks of the persons insured incurring liabilities to third parties, arising out of or in connection with the use of vessels on the sea or on inland water; where the vessels insured in the contract are not used for transporting goods or fare-paying passengers.  <i>Contracts of insurance</i> (other than treaty reinsurance contracts) that fall within the definition of <i>category number 114(p)</i> which the insurer elects to allocate to this category.	6,12
350	<b>Primary (direct) and facultative goods in transit</b> <i>Contracts of insurance</i> (other than treaty reinsurance contracts) against loss of, or damage to, merchandise, baggage and all other goods in transit, irrespective of the form of transport.	7
400	<b>Miscellaneous primary (direct) and facultative business</b> <i>Contracts of insurance</i> (other than treaty reinsurance) that, in the reasonable opinion of the insurer's governing body, do not fall within <i>category numbers 110 to 350</i> or may mislead users of the return if allocated to one of <i>category numbers 110 to 350</i> .	N/A
	<b>NON-PROPORTIONAL REINSURANCE TREATY BUSINESS</b>	
500	<b>Total Non-Proportional Reinsurance Treaty Business accepted</b> ( <i>category numbers 510 to 590 combined</i> ).	N/A

510	<b>Non-proportional accident &amp; health</b> <i>Contracts of insurance, effected or carried out under non-proportional reinsurance treaties, which fall within classes 1 or 2, and do not fall within category numbers 590 or 710(p).</i>	1,2
520	<b>Non-proportional motor</b> <i>Contracts of insurance, effected or carried out under non-proportional reinsurance treaties, which fall within classes 3 or 10, or category number 710(p), and do not fall within category number 590.</i>	3,10
530	<b>Non-proportional aviation</b> <i>Contracts of insurance, effected or carried out under non-proportional reinsurance treaties, which fall within classes 5 or 11, or category number 710(p), and do not fall within category number 590.</i>	5,11
540	<b>Non-proportional marine</b> <i>Contracts of insurance, effected or carried out under non-proportional reinsurance treaties, which fall within classes 6 or 12, or category number 710(p), and do not fall within category number 590.</i>	6,12
550	<b>Non-proportional transport</b> <i>Contracts of insurance, effected or carried out under non-proportional reinsurance treaties, which fall within class 7, and do not fall within category number 590.</i>	7
560	<b>Non-proportional property</b> <i>Contracts of insurance, effected or carried out under non-proportional reinsurance treaties, which fall within classes 8 or 9, and do not fall within category number 590.</i>	4,8,9
570	<b>Non-Proportional liability (non-motor)</b> <i>Contracts of insurance, effected or carried out under non-proportional reinsurance treaties, which fall within class 13, and do not fall within category numbers 520, 530, 540 or 590.</i>	13
580	<b>Non-proportional financial lines</b> <i>Contracts of insurance, effected or carried out under non-proportional reinsurance treaties, which fall within classes 14, 15, 16, 17 or 18, and do not fall within category number 590.</i>	14,15,16,17,18
590	<b>Non-proportional aggregate cover</b> <i>Contracts of insurance, effected or carried out under non-proportional reinsurance treaties, which fall within more than one of category numbers 510 to 580, where no one of these categories accounts for more than 90% of the exposure on the contract.</i>	1 to 18
	<b>PROPORTIONAL REINSURANCE TREATY BUSINESS</b>	
600	<b>Total Proportional Reinsurance Treaty Business accepted</b> (category numbers 610 to 690 combined).	N/A
610	<b>Proportional accident &amp; health</b> <i>Contracts of insurance, effected or carried out under proportional reinsurance treaties, which fall within classes 1 or 2 and do not fall within category numbers 690 or 710(p).</i>	1,2
620	<b>Proportional motor</b> <i>Contracts of insurance, effected or carried out under proportional reinsurance treaties, which fall within classes 3 or 10, or category number 710(p) and do not fall within category number 690.</i>	3,10

630	<b>Proportional aviation</b> <i>Contracts of insurance, effected or carried out under proportional reinsurance treaties, which fall within classes 5 or 11, or category number 710(p) and do not fall within category number 690.</i>	5,11
640	<b>Proportional marine</b> <i>Contracts of insurance, effected or carried out under proportional reinsurance treaties, which fall within classes 6 or 12, or category number 710(p) and do not fall within category number 690.</i>	6,12
650	<b>Proportional transport</b> <i>Contracts of insurance, effected or carried out under proportional reinsurance treaties, which fall within class 7 and do not fall within category number 690.</i>	7
660	<b>Proportional property</b> <i>Contracts of insurance, effected or carried out under proportional reinsurance treaties, which fall within classes 8 or 9 and do not fall within category number 690.</i>	4,8,9
670	<b>Proportional liability (excluding motor)</b> <i>Contracts of insurance, effected or carried out under proportional reinsurance treaties, which fall within class 13 and do not fall within category numbers 620, 630, 640 or 690.</i>	13
680	<b>Proportional financial lines</b> <i>Contracts of insurance, effected or carried out under proportional reinsurance treaties, which fall within classes 14, 15, 16, 17 or 18 and do not fall within category number 690.</i>	14,15,16,17,18
690	<b>Proportional aggregate cover (i.e. more than one of the above)</b> <i>Contracts of insurance, effected or carried out under proportional reinsurance treaties, which fall within more than one of category numbers 610 to 680, where no one of these categories accounts for more than 90% of the exposure on the contract.</i>	1 to 18
700	<b>Miscellaneous treaty reinsurance accepted business</b> <i>Contracts of insurance effected or carried out under reinsurance treaties that, in the reasonable opinion of the insurer's governing body, do not fall within category numbers 500 or 600 or may mislead users of the return if allocated to one of these categories.</i>	N/A
710(p)	<b>Treaty reinsurance passenger accident</b> <i>Contracts of insurance effected or carried out under reinsurance treaties against risks of death of, or injury to, passengers which the insurer elects to allocate to category numbers 520, 530, 540, 590, 620, 630, 640 or 690 notwithstanding that they would also fall within the definition of category numbers 510 or 610.</i>	

## Part II

Groups of categories of *general insurance business* to which categories in Part I are to be allocated for the purpose of reporting in the *return*

Categ-ory Num-ber	FSA general insurance business reporting category	Map to classifications in Annex A of 73/239/EEC
409	<b>Balance of all primary (direct) and facultative business</b> <i>All direct and facultative insurance business reported in a Form 20 to 25 under category number 002 that is not also reported in the same Form under category numbers 110, 120, 160, 180, 220, 260, 270, 280, 330, 340, 350, and 400.</i>	N/A
709	<b>Balance of all treaty reinsurance accepted business</b> <i>All treaty reinsurance business reported in a Form 20 to 25 under category number 003 that is not also reported in the same Form under category numbers 500, 600 and 700.</i>	N/A

## Chapter 12

### TRANSITIONAL ARRANGEMENTS

Chapter 12 as it currently exists is replaced in its entirety with the following new text, which is not underlined.

#### **Reporting of information relating to financial years prior to the financial year ending on or after 31 December 2005**

- 12.1
- (1) An *insurer* that is required to report the information in (2) in respect of any *financial year* ending on or after 31 December 2005, may report that information as set out in (3).
  - (2) The information in (1) is information that is required to be inserted in-
    - (a) column 1 to 3 or 11 and rows relating to accident years prior to 1995 of **Forms 23, 26 or 27**;
    - (b) column 1, 3 or 10 and rows relating to accident years prior to 1995 of **Forms 31 and 32**; or
    - (c) column 1 or 8 and rows relating to underwriting years prior to 1995 of **Form 34**.
  - (3) Information relating to-
    - (a) aggregate treaty business falling within the definition of *category number* 590 or 690, may be reported in *category numbers* 510 to 580 or 610 to 680;
    - (b) commercial package business falling within the definition of *category number* 274 business, may be reported in *category numbers* 261, 271 or 273;
    - (c) business that was reported under a single risk group or business category in the *return* for the *financial year* immediately preceding the first *financial year* that ended on or after 31 December 2005, may be reported in a single *risk category* if and 90% or more of the claim liabilities reported under the risk group or business category fall into that single *risk category*;
    - (d) any business covering risks relating to hovercraft which was classified under the heading 'Aviation' in the *return* for the *financial year* immediately preceding the first *financial year* that ended that ends on or after 31 December 2005, may be reported in any of *category numbers* 331 to 333 (aviation);
    - (e) any business covering liability for loss of, or damage to,



goods in transit which was classified under the heading 'Transport' in the *return* for the *financial year* immediately preceding the first *financial year* that ended on or after 31 December 2005, may be reported in *category number* 350 (transport);

- (f) any business which was classified under the heading 'Accident and Health' in the *return* for the *financial year* immediately preceding the first *financial year* that ended on or after 31 December 2005, and which would otherwise be allocated to *category number* 114(p), may be reported in *category number* 114;
- (g) any business which was classified under the heading 'Marine, Aviation or Transport Treaty' in the *return* for the *financial year* immediately preceding the first *financial year* that ended on or after 31 December 2005, and which would otherwise be allocated to *category number* 550 or 650, may be reported in *category numbers* 530, 540, 630 or 640; and
- (h) any business which was classified under the heading 'accounting class 11' in the *return* for the *financial year* immediately preceding the first *financial year* that ended on or after 31 December 2005, may be reported in *category number* 510 to 590 (non-proportional treaty reinsurance).

#### **Reporting of historical information relating to Forms 26, 27, 28, 29, 31, 32 and 34**

- 12.2
- (1) An *insurer* that is required by rule 9.17 or 9.19 to prepare any of **Forms 26, 27, 28, 29, 31, 32 or 34** in respect of the first *financial year* ending on or after 31 December 2005 must send to the *FSA* the additional information in (2).
  - (2) The additional information in (1)-
    - (a) is historical development data in respect of business reported on each relevant Form;
    - (b) must be prepared as set out in (3) to (8);
    - (c) must be submitted in the format of the **2005 Return Transitional Tables A, B, C and D** in the form laid out in rule 12.4;
    - (d) must be submitted as a computer spreadsheet file that can be accessed by Microsoft Excel; and
    - (e) must be submitted to *FSA* by electronic mail or a CD-ROM disk, in either case at the same time as the *return* to which it relates.

- (3) An *insurer* must prepare-
  - (a) **2005 Return Transitional Tables A and B** in respect of each *required category* for which it is required to prepare **Form 26, 27, 28, 29, 31, 32** or **34** except where the *required category* is *category number 400* or *700*; and
  - (b) **2005 Return Transitional Table C and D** in respect of each *required category* for which it is required to prepare **Form 31** or **32** except where the *required category* is *category number 400*.
- (4) An *insurer* must show years of origin must in the first two columns of each Table where-
  - (a) a year of origin is a *financial year* and the columns contain the month and year, on the Gregorian calendar, in which that *financial year* ends;
  - (b) the month and year are to be in MM and YYYY date format, where MM is a two digit month of the year (between 01 and 12) and YYYY is a calendar year;
  - (c) years of origin are entered in sequence with the latest year of origin (i.e. the first *financial year* ended on or after 31 December 2005) in row 33;
  - (d) not report more than the 30 latest years of origin are reported;
  - (e) the years of origin reported on a Table are consistent with how the *insurer* has allocated claims to accident or underwriting years on the **Forms 27, 29, 31, 32** or **34**, as the case may be, on which the same business is reported.
- (5) If an *insurer* is reporting business on a Table that is reported on a **Form 27, 31** or **32**, the year of origin must be an accident year and the entries along the rows of the Table must relate to claims that occurred in that origin year. If an *insurer* is reporting business on a Table that is reported on a **Form 29** or **34**, the year of origin must be an underwriting year and the entries along the rows of the Table must relate to claims arising from business written in that origin year.
- (6) Historical development data must be prepared in the same currency as the Form that gave rise to the requirement to prepare the Table.
- (7) In preparing any of **2005 Return Transitional Tables A, B, C** and **D**, an *insurer* must, subject to (9), complete-
  - (a) all entries relating to years of origin ending between 31/12/1996 and 30/12/2006 inclusive and all entries for the "prior years" row; and
  - (b) subject to the total number of years of origin reported on a Table being no more than 30, all entries relating to:
    - (i) years of origin ending between 23/12/1993 and 30/12/1996 inclusive for business in *category*

- numbers 610, 620, 650, 660 and 680,*
    - (ii) years of origin ending between 31/12/1983 and 30/12/1996 inclusive for business in *category numbers 510 to 580, 630, 640 and 670, and*
    - (iii) years of origin ending prior to 31/12/1996 for business in *category numbers 271 to 273;*
  - (8) an *insurer* that does not maintain records of historical development data by a *required category* for which it is required to prepare any of **2005 Return Transitional Tables A, B, C and D**, may make a reasonable estimate of an entry required under (7) in the Table for that *required category*;
  - (9) an *insurer* may omit an entry required under (7) in a Table for a *required category* if -
    - (a) in the opinion of its *governing body*, the *insurer* does not have the information needed to complete, or make a reasonable estimate of, the entry;
    - (b) it does not use any data required for that entry when setting its provisions for claim liabilities for business in the *required category*; and
    - (c) it states in a supplementary note to the Table an explanation for the entry omitted.
  - (10) If for any year of origin the duration of any development year is not 12 months, an *insurer* must identify each such development year and state its duration in a supplementary note to the Tables (code TA02).

**Reconciliation of information reported in the return for the first financial year ended on or after 31 December 2005 to equivalent information reported in the previous return**

- 12.3 An *insurer* must carry out and send to the FSA, at the same time as it submits its *return* in respect of the first *financial year* ending on or after 31 December 2005, the following reconciliations-
- (a) the sum of the amounts reported in column 1 plus column 3 on each **Form 27** in the *return* for the first *financial year* ended on or after 31 December 2005 to the sum of the amounts reported in the column 1 plus column 3 plus column 4 on each **Form 27** in the previous *return*;
  - (b) the amounts reported in the column headed 'Gross claims paid / In previous financial years' on each of **Forms 31, 32 and 34** in the *return* for the first *financial year* ended on or after 31 December 2005 to the sum of the amounts reported in the column headed 'Gross claims paid / In previous financial years' plus the amounts reported in the column headed 'Gross claims paid / In this financial year' on each **Forms 31, 32 and 34** in the previous *return*;
  - (c) the amounts reported in the column headed 'Gross claims outstanding brought forward / Reported' on each of **Forms**

**27, 31, 32 and 34** in the *return* for the first *financial year* ended on or after 31 December 2005 to the amounts reported in the column headed 'Gross claims outstanding carried forward / Reported' on each of **Forms 27, 31, 32 and 34** in the previous *return*;

- (d) the amounts reported in the line titled 'Technical provisions / Brought forward / Undiscounted' (line 51) on **Form 28** in the *return* for the first *financial year* ended on or after 31 December 2005 to the amounts reported in the line titled 'Technical provisions / Carried forward / Undiscounted' (line 53) on **Form 28** in the previous *return*;
- (e) the amounts in the column headed 'Total number of claims settled at non-zero cost at end of the 2004 financial year' on each **Table D** to the amounts reported in the column headed 'Number of claims / Closed at some cost during this or previous financial years' (column 1) on each **Form 31 and 32** in the previous *return*.

#### **2005 Return Transitional Tables A, B, C and D**

12.4 These Tables belong to rule 12.2.

#### **Financial year ending on or after 31 December 2005**

12.5 The amendments to *IPRU(INS)* made by the Interim Prudential Sourcebook for Insurers (Regulatory Reporting) Instrument 2005 first apply to a *firm* with respect to its *financial year* ending on or after 31 December 2005.

On this Table "the 2005 financial year" means the first financial year ending on or after 31 December 2005

In these instructions "the 2005 *financial year*" means the first *financial year* ending on or after 31 December 2005.

Table A instruction 1

In columns 1 and 2 year of origin is the *financial year* ending in the month and year shown.

Table A instruction 2

In columns 1 and 2 the years of origin may be accident years or underwriting years.

In row 1 columns 1 and 2 replace "[year of origin]" with "accident" if the business reported on the Table is reported on **Forms 26, 27, 31 or 32** or "underwriting" if the business reported on the Table is reported on **Forms 28, 29 or 34**

If the years of origin in columns 1 and 2 are accident years, the gross paid claims in each of the years of development 0 to 29 and after the last reported year of development must be in respect of all claims in the *required category* that occurred in the year of origin.

If the years of origin in columns 1 and 2 are underwriting years, the gross paid claims in each of the years of development 0 to 29 and after the last reported year of development must be in respect of all policies in the *required category* written in the year of origin.

Table A instruction 3

In row 2 column 33 the gross claims paid after the last reported year of development are gross claims paid in the 2005 *financial year* in respect of all the years of origin prior to the earliest year of origin for which historic data must be reported in the Table under rule 12.2(7)

Table A instruction 4

In column 34 the total gross claims paid to end of the 2005 *financial year* for a year of origin is the sum of all incremental payments for that year of origin and should equal:

<b>Form 27</b> columns 1+3+4 for the row that matches that year of origin	for treaty, accident year;
<b>Form 31</b> or <b>32</b> columns 3+4 for the row that matches that year of origin	for direct & facultative, accident year; or
<b>Form 34</b> columns 1+2 for the row that matches that year of origin	for direct & facultative, underwriting year.

Table A instruction 5

In column 35 the total gross claims paid in the 2005 *financial year* for a year of origin is equal to the final entry on each diagonal for that year of origin and should equal:

<b>Form 27</b> column 4 for the row that matches that year of origin	for treaty, accident year;
<b>Form 28</b> line 21 for the row that matches that year of origin	for treaty, underwriting year;
<b>Forms 31</b> or <b>32</b> column 4 for the row that matches that year of origin	for direct & facultative, accident year; or
<b>Form 34</b> column 2 for the row that matches that year of origin	for direct & facultative, underwriting year.

Table A instruction 6

The box marked "category number" must be completed by inserting the 3 digit *category number* to which the *risk category* relates.

The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**

The box marked "reporting territory" must be completed by inserting the relevant 2 character code from the list in the Table in **Appendix 9.2 Paragraph 32**.

Table A instruction 7

The number of *financial years* required may differ from the number of rows against the relevant description where for instance the *insurer* has had *financial years* that are not 12 months.

On this Table "the 2005 financial year" means the first financial year ending on or after 31 December 2005

### Instructions to Table B

31

Table B instruction 1

The year of origin is the *financial year* ending in the month and year shown.

Table B instruction 2

In columns 1 and 2 the years of origin may be accident years or underwriting years.

In row 1 columns 1 and 2 replace "[year of origin]" with "accident" if the business reported on the Table is reported on **Forms 26, 27, 31 or 32** or "underwriting" if the business reported on the Table is reported on **Forms 28, 29 or 34**

If the years of origin in columns 1 and 2 are accident years, the gross paid claims at the end of each of the years of development 0 to 29 and after the last reported year of development must be in respect of all claims in the *required category* that occurred in the year of origin.

If the years of origin in columns 1 and 2 are underwriting years, the gross paid claims at the end of each of the years of development 0 to 29 and after the last reported year of development must be in respect of all policies in the *required category* written in the year of origin.

Table B instruction 3

In row 3 column 34, the gross reported outstanding claims for prior years of origin are the *insurer's* estimate of total gross reported outstanding claims at the end of the 2005 *financial year* in respect of all the years of origin prior to the earliest year of origin for which historic data must be reported in the Table under rule 12.2(7)

Table B instruction 4

In column 33 gross reported outstanding claims at end of the 2005 *financial year* for a year of origin should equal total gross reported claims at end of the 2005 *financial year* from column 33 of **Table B** less the total gross claims paid to the end of the 2005 *financial year* from column 34 of **Table A** and should also equal:

<b>Form 27</b> column 5 for the row that matches that year of origin	for Treaty, accident year;
<b>Form 29</b> line 11 for the row that matches that year of origin	for Treaty, underwriting year;
<b>Form 31</b> or <b>Form 32</b> column 5 for the row that matches that year of origin	for direct & facultative, accident year; or
<b>Form 34</b> column 3 for the row that matches that year of origin	for direct & facultative, underwriting year.

Table B instruction 5

The box marked "category number" must be completed by inserting the 3 digit *category number* to which the *risk category* relates.

The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**

The box marked "reporting territory" must be completed by inserting the relevant 2 character code from the list in the Table in **Appendix 9.2 Paragraph 32**.

Table B instruction 6

The number of *financial years* required may differ from the number of rows against the relevant description instance where the *insurer* has had *financial years* that are not 12 months.



### Development of incremental numbers of reported claims

Reporting Territory:

On this Table, and in the instructions to it, the phrase 'the 2005 financial year' means the first *financial year* ending on or after 31 December 2005

[illegible]

### Instructions to Table C

In these instructions "the 2005 *financial year*" means the first *financial year* ending on or after 31 December 2005.

#### Table C instruction 1

The year of origin is the *financial year* ending in the month and year shown.

#### Table C instruction 2

In columns 1 and 2 the years of origin are accident years.

In row 1 columns 1 and 2 replace "[year of origin]" with "accident".

For each year of origin, the number of claims reported in each of the years of development 0 to 29 and after the last reported year of development must be in respect of all claims in the *required category* that occurred in the year of origin.

#### Table C instruction 3

In row 3 column 33, the number of claims reported after the last year of development are all claims reported in the 2005 *financial year* in respect of all the years of origin prior to the earliest year of origin for which historic data must be reported in the Table under rule 12.2(7)

#### Table C instruction 4

The box marked "category number" must be completed by inserting the 3 digit *category number* to which the *risk category* relates.

The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**

The box marked "reporting territory" must be completed by inserting the relevant 2 character code from the list in the Table in **Appendix 9.2 Paragraph 32**.

#### Table C instruction 5

The number of *financial years* required may differ from the number of rows against the relevant description for instance where the *insurer* has had *financial years* that are not 12 months.

Risk Category:	Category number:	Currency:	Reporting Territory:
----------------	------------------	-----------	----------------------

Number of claims settled at non-zero cost excluding any claims re-opened and not yet re-closed at the end of each development year in respect of each year of origin

On this Table the "the 2005 financial year" means the first financial year ending on or after 31 December 2005 and the "2004 financial year" means the financial year immediately preceding the 2005 financial year.

On this Table the "the 2005 financial year" means the first financial year ending on or after 31 December 2005 and the "2004 financial year" means the financial year immediately preceding the 2005 financial year.																																			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
1	[year of origin] ended	Year of development																													Total number of claims settled at non-zero cost at end of the 2005 financial year (= final entry of each diagonal)	Total number of reported outstanding claims as at end of the 2005 financial year	Total number of claims settled at non-zero cost at end of the 2004 financial year (= second last entry of each diagonal)		
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28				29	
3	prior years																																see instruction 3		
4																																	Data for years of origin prior to 31/12/1996 is only required for <i>category numbers</i> 271 to 273 (see rule 12.2(7) and instruction 6)		
5																																			
6																																			
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31																																			
32																																			
33																																			
34	All origin years																																		

#### Instructions to Table D

In these instructions "the 2005 financial year" means the first financial year ending on or after 31 December 2005.

Table D instruction 1

The year of origin is the *financial year* ending in the month and year shown.

Table D instruction 2

The year of origin is an accident year.

In row 1 columns 1 and 2 replace "[year of origin]" with "accident".

For each year of origin, the number of claims settled at non-zero cost at the end of each of the development years 0 to 29 must be in respect of all claims in the *required category* that occurred in that year of origin.

Table D instruction 3

In row 3 column 34, the number of reported outstanding claims for prior years of origin is the number of reported outstanding claims at the end of the 2005 *financial year* in respect of all the years of origin prior to the earliest year of origin for which historic data must be reported in the Table under rule 12.2(7).

Table D instruction 4

Total number of claims settled at non-zero cost at end of the 2005 *financial year* for each year of origin should equal **Form 31** or **Form 32** column 1.

Table D instruction 5

The box marked "category number" must be completed by inserting the 3 digit *category number* to which the *risk category* relates.

The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**

The box marked "reporting territory" must be completed by inserting the relevant 2 character code from the list in the Table in **Appendix 9.2 Paragraph 32**.

Table D instruction 6

The number of *financial years* required may differ from the number of rows against the relevant description for instance where the *insurer* has had *financial years* that are not 12 months.

Table D instruction 7

Claims settled at non-zero cost in column 35 are the figures for which the reconciliation is required in rule 12.3(e).

## Guidance

- 12.6 (1) Rule 12.2 requires *insurers* to prepare historical development data in triangular format for each 'required category of business' for which a **Form 26 to 29, 31, 32 or 34** is required in the *return* for the first *financial year* ended on or after 31 December 2005. The purpose of the rule is to enable users of the *return* to carry out independent analysis of the development of paid and incurred claims and claim numbers in the new categories. When preparing data required by this rule an *insurer* should consider the need of the user and provide the data as accurately as reasonably possible.
- (2) Under the reporting requirements of risk groups and *business categories* (i.e. the requirements that applied from 1996 to 2004), it has been common practice for users of the *return* to accumulate data from many returns to create the past claims development, usually in triangular form, for each risk group and business category. With the introduction of a new categorisation of *general insurance business*, users of the *return* will not have the past claims development for the new categories without this transitional rule.
- (3) Under rule 12.2(6), an *insurer* that is required to prepare any of Tables A to D for a *required category* may make a reasonable estimate of entries in the Table in the case where the *insurer* maintains its internal records in such a way that there is not a one-one or many-one mapping of its internal classification to the *required category*. For example, if an *insurer* is required to prepare Tables A and B for a *category number* XXX carried on in GBP and the insurer's classification of business that it uses for its internal analysis and management reporting is such that business in XXX in GBP is recorded in two of its internal classes both of which also contain business other than XXX in GBP, the insurer may make a reasonable estimate of the data needed in Table A and B for XXX in GBP from the business it has recorded in those two internal classes.
- (4) When an *insurer* does not have all the data required for Tables A to D, it should provide the data that it has available. For example an *insurer* may not hold data for all the years of origin prior to 1996 specified in the Tables, or an *insurer* may not hold data relating to some of the earlier diagonals specified in the Tables. In particular, if an *insurer's* internal classification of its claim development data is such that it would be highly burdensome to extract the data specified in Tables A to D in respect of business that falls into *category numbers* 590 or 690, it need not prepare the Tables for these *category numbers*. An *insurer* need not prepare Tables A to D for *category numbers* 400 and 700 (the *miscellaneous categories*)
- (5) Under rule 12.2(7), an *insurer* that is required to prepare any of Tables A to D for a *required category* may omit an entry for a Table if it does not have the data needed to complete the entry and does not use that data for setting provisions for claim liabilities for business in that *required category*. An *insurer* should not omit data required to be reported on the Tables if it uses that data for its internal claim reserving. For example if an *insurer* is required to prepare Table A for *category number* 570 carried on in GBP and it does not

have records of gross claims paid in development years 0 to 5 in respect of year of origin 1986 and it does not use incremental gross claims paid data to set claims provisions in respect of that business and year of origin 1986, it may omit the incremental gross claims paid in development years 0 to 5 in respect of year of origin 1986 in Table A for that *required category*.

- (6) If, for example, an *insurer* has had a 30 September *financial year* end and in, say, 2002 it decided to change to a 31 March *financial year* end, the years of origin it is required to report on a Table under 12.2(4)(a) to (c) could be any of the following unless 12.2(4)(e) requires otherwise:

Actual <i>financial</i> year end	Year of origin shown on Table	Actual <i>financial</i> year end	Year of origin shown on Table	Actual <i>financial</i> year end	Year of origin shown on Table
A		B		C	
...	...	...	...	...	...
30/09/2000	09-2000	30/09/2000	09-2000	30/09/2000	09-2000
30/09/2001	09-2001	30/09/2001	09-2001	30/09/2001	09-2001
31/03/2002	03-2002	30/09/2002	09-2002	31/03/2003	03-2003
31/03/2003	03-2003	31/03/2003	03-2003	31/03/2004	03-2004
31/03/2004	03-2004	31/03/2004	03-2004	31/03/2005	03-2005
31/03/2005	03-2005	31/03/2005	03-2005	30/03/2005	03-2005
31/03/2006	03-2006	31/03/2006	03-2006	31/03/2006	03-2006

Under 12.2(4)(e) if, for example the business reported on the Table is reported on a **Form 31** and claims reported on that **Form 31** relating to accident years 2002 and 2003 are claims that occurred in the periods 1 October 2001 to 31 March 2002 and 1 April 2002 to 31 March 2003 respectively, the *insurer* would be required to report the years of origin under option A.

If option C applies, a calendar year (in this case 2002) would be missing from the sequence of years of origin. If the example instead had the *financial year* end changing from 31 March to 30 September in 2002, then a calendar year (in this case 2002) could appear twice in the sequence of years of origin. Thus under 12.2(4)(a) to (c) a calendar year may appear more than once or not at all in the sequence of years of origin in column 1 of a Table.

- (7) If an *insurer* is unable to submit the information required in 12.2(2) to *FSA* in a computer spreadsheet file that can be accessed by Microsoft Excel, it should request guidance from *FSA* as to the format in which to submit the information. The computer spreadsheet file that an *insurer* is required to send to the *FSA*, under 12.2(2)(d), should be the computer spreadsheet file that *FSA* makes available on its website or sends to *insurers* by electronic mail, with the relevant entries completed. An *insurer* should complete a template for each 2005 Return Transitional Tables A, B, C and D it is required to prepare. An *insurer* should submit a single computer spreadsheet file with each tab (or page) of the spreadsheet containing a single 2005 Return Transitional Table.

An *insurer* should request guidance from *FSA* as to how to send the computer spreadsheet file if it is unable to send it by electronic mail or on a CD-ROM disk.

- 12.7     (1)     GEN (the part of the FSA Handbook in High Level Standards which has the title General Provisions) contains some technical transitional provisions that apply throughout the Handbook and which are designed to ensure a smooth transition at commencement of the *Act*. These include transitional provisions relevant to record keeping and notification rules.
- (2)     *SUP* contains transitional provisions which carry forward written concessions relating to pre-commencement provisions.

# INTERIM PRUDENTIAL SOURCEBOOK FOR INSURERS

## CONTENTS

### VOLUME TWO

#### Appendices to the Rules

...

Appendix 9.2      General insurance business: revenue account and additional information  
(Forms 20A and 20 to 39) (rules 9.14 to 9.22)

Appendix 9.3      Long-term insurance business: revenue account and additional  
information (Forms 40 to ~~45~~ 60) (rules 9.14 and 9.23)

Appendix 9.4      Abstract of valuation report (~~Forms 46 to 61~~) (rules 9.4 and 9.31)

...

Appendix 9.6      Certificates by directors and reports of auditor and actuary advising the  
auditor (rules 9.5(1A), 9.34 and 9.35)

...

**APPENDIX 9.1** (rules 9.12 and 9.13)

#### **BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (FORMS 1 TO 3 AND 10 TO 19)**

...

#### **Instructions for completion of Form 14**

1. The Form must be completed for the total *long-term insurance business liabilities* and margins of the *insurer* or branch and for each fund or group of funds for which separate assets are appropriated and each with-profits fund. The words “total *long term insurance business assets*” or the name of the fund must be shown against the heading “Category of assets”. The corresponding code box must be completed with the same entries as were used on the corresponding Form ~~43~~ 40.

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## APPENDIX 9.2 (rules 9.14 to 9.22)

### GENERAL INSURANCE BUSINESS: REVENUE ACCOUNT AND ADDITIONAL INFORMATION (FORMS 20A and 20 TO 39)

#### Introduction

1. All the Forms included in the part of the *return* to which this Appendix relates (Forms 20A and 20 to 39) are to be laid out as shown in this Appendix, except that the instructions to Forms need not be reproduced.

...

New paragraphs 2A, 2B and 2C are inserted after paragraph 2, the text of these new paragraphs is not underlined.

#### Cases where forms are required

- 2A Table: Forms required for the *FSA general insurance business reporting categories*:

FSA general insurance business reporting category	Form			
	F20, F21, F22, F23, F24, F25	F26, F27 F28 F29	F31 F34	F32 F34
<i>Combined categories</i>	√			
<i>Category numbers 160 and 350</i>	√		√	
<i>Risk categories with category numbers 121, 122, 123, 221, 222, 223 (i.e. direct and facultative motor)</i>				√
<i>Risk categories with category numbers below 400 other than category numbers 121, 122, 123, 221, 222, 223, 160 and 350 (i.e. all direct and facultative that is not motor, household or goods in transit and has not been allocated to a miscellaneous category)</i>			√	
<i>Risk categories with category numbers 510 to 590 and 610 to 690 (i.e. treaty reinsurance)</i>		√		
<i>Miscellaneous primary (direct) and facultative business (category number 400)</i>	√		√	
<i>Miscellaneous treaty reinsurance accepted business (category number 700)</i>	√			
<i>Balancing categories (category numbers 409, 709)</i>	√			

2B

Table: Criteria (if any) for whether a Form is required for a category of *general insurance business*. Paragraph 2C belongs to this Table.

Form	Category of business.	Reporting criteria (if any)
<b>F20 to F25</b> Technical provisions and profit & loss account	<i>Category number 001</i>	Forms always required
	<i>Category numbers 002,003</i>	Either -  (a) the <i>insurer's</i> 'gross undiscounted provisions' in the category of business at the end of the <i>financial year</i> exceed zero; or  (b) the <i>insurer's gross written premiums</i> in the category of business in the <i>financial year</i> exceed zero.
	<i>Category numbers 110, 120, 160, 180, 220, 260, 270, 280, 330, 340, 350, 400, 500, 600, 700</i>	Either - (a) the <i>insurer's</i> 'gross undiscounted provisions' in the category of business at the end of the <i>financial year</i> exceed:  (i) £100m; or (ii) the higher of 5% of the <i>insurer's total technical provisions</i> and £1 million or (b) the <i>insurer's gross written premiums</i> in the category of business in the <i>financial year</i> exceed:  (i) £100m; or (ii) the higher of 5% of the <i>insurer's total gross written premiums</i> and £1 million.
	<i>Category number 409</i>	Some business in <i>category number 002</i> is not reported on <b>Forms 20 to 25</b> for <i>category numbers 110 to 400</i> .
	<i>Category number 709</i>	Some business in <i>category number 003</i> is not reported on <b>Forms 20 to 25</b> for <i>category numbers 500, 600 and 700</i> .

<b>F26 to F29</b> Results by year of origin for treaties accepted	<p><i>Category numbers 510 to 590 and 610 to 690 denominated in any one currency.</i></p> <p><i>Category number 700</i></p>	<p>Either -</p> <p>(a) the <i>insurer's</i> 'gross undiscounted provisions' in the category of business at the end of the <i>financial year</i> exceed:</p> <p style="padding-left: 40px;">(i) £100m; or (ii) the higher of 5% of the <i>insurer's</i> total <i>technical provisions</i> and £1 million</p> <p>or</p> <p>(b) the <i>insurer's</i> gross written premiums in the category of business in the <i>financial year</i> exceed:</p> <p style="padding-left: 40px;">(i) £100m; or (ii) the higher of 5% of the <i>insurer's</i> total gross written premiums and £1 million.</p>
<b>F31, F32, F34</b> Gross results by year of origin for direct and facultative business	<p><i>Category numbers 330 to 350 denominated in any one currency.</i></p> <p><i>Category numbers 110 to 284 denominated in any one currency carried on in any 'reporting territory'</i></p> <p><i>Category number 400</i></p>	<p>Either -</p> <p>(a) the <i>insurer's</i> 'gross undiscounted provisions' in the category of business at the end of the <i>financial year</i> exceed:</p> <p style="padding-left: 40px;">(i) £100m; or (ii) the higher of 5% of the <i>insurer's</i> total <i>technical provisions</i> and £1 million</p> <p>or</p> <p>(b) the <i>insurer's</i> gross written premiums in the category of business in the <i>financial year</i> exceed:</p> <p style="padding-left: 40px;">(i) £100m; or (ii) the higher of 5% of the <i>insurer's</i> total gross written premiums and £1 million.</p>

2C For the purpose of column 2 of the Table in Paragraphs 2B and 3(1) –

- (a) a currency in which a *contract of insurance* is denominated is –
- (i) the currency in which the contract requires settlement of claims or the successor to that currency if it has been superseded, or
  - (ii) the currency in which the *insurer* records claim payments under the contract, if the contract permits settlement of claims in more

than one currency or if it is the *insurer's* internal practice to convert claim payments to that currency;

- (b) business denominated in converted sterling is to be treated as though it were denominated in a different currency from other business denominated in sterling; and
- (c) a **reporting territory** is one of -
  - (i) 'United Kingdom' if the business is carried on in the United Kingdom and is not *home foreign business*,
  - (ii) 'Home Foreign' if the business is *home foreign business*, or
  - (iii) 'Non-United Kingdom' if the business is carried on outside the United Kingdom.

### Currency

- 3. (1) Notwithstanding the provisions of 2, amounts on **Forms 26 to 29** submitted in accordance with rules 9.17, 9.20 or 9.20A and on **Forms 31, 32 and 34** submitted in accordance with rules 9.19, 9.20 or 9.20A ~~in respect of business carried on in any country other than the United Kingdom~~ must be shown in the 'currency of the country concerned' in which the business on the Form is denominated except that figures must be shown in sterling in those columns and lines which the forms indicate are always to contain figures expressed in sterling.
- (2) For every currency other than sterling in which amounts are shown on the Forms referred to in (1), an entry must be made on **Form 36** to show the rate used to convert these amounts to sterling for inclusion elsewhere in the *returns*.
- (3) Notwithstanding the provisions of 2, all amounts included in -
  - (a) ~~columns 1, 2, 3 and 11 of Forms 20A, 20 to 25 23, 26 and 27; and~~
  - (b) ~~columns 3 and 10 of any Form 26 to 29, 31, or 32 or 34 prepared in sterling, respect of United Kingdom or home foreign business; and~~
  - (c) ~~columns 1 and 8 of any Form 34 prepared in respect of United Kingdom or home foreign business;~~

must be expressed in sterling as if conversion of every ‘~~major~~ currency’ had taken place at the closing middle rate on the last day for which the appropriate rate is available in the *financial year in question*.

Paragraph 3(4) is deleted in its entirety.

(4) [deleted]

(5) ...

(6) ~~For the purpose of (1), the **currency of the country concerned**, in the case of a country participating in the European Economic and Monetary Union means for Forms completed in respect of a *financial year* ending on or after 31 December 199, the euro (whether or not the amounts reported on those forms relate to accident or underwriting years ending on or after 31 December 1999)~~

...

Paragraphs 5 and 6 are deleted in their entirety.

5. [deleted]

**Accounting Classes FSA return general insurance business reporting categories**

6. [deleted]

In Appendix 9.2 the existing text in paragraph 7 is deleted and replaced with new text as follows:

7. (1) The following information must be stated by way of supplementary notes (codes 20Aa to 20Af) to **Form 20A** –

(a) (code 20Aa) in respect of each *risk category* to which an *insurer* has allocated *general insurance business* under rule 9.14B –

(i) the name of the *risk category*.

(ii) a description of the *general insurance business* allocated to the relevant *risk category*.

(iii) the rationale for the allocation decision made.

(iv) the amounts included in **Form 20A** under the risk category in respect of *general insurance business* allocated to the *risk category* under rule 9.14B, and

- (v) in the case of an allocation made under rule 9.14B(4), a description of the method used to make that allocation;
- (b) (code 20Ab) the *risk categories* to which any *contracts of insurance* against risks of death of, or injury to, passengers has been allocated;
- (c) (code 20Ac) a detailed explanation of business allocated to each of *category numbers* 187, 223, 400 and 700 ('Other personal financial loss', 'motor other', 'miscellaneous direct' and 'miscellaneous reinsurance' categories);
- (d) (code 20Ad) in respect of each *risk category* for which the amounts reported in **Form 20A** contain both *claims-made policies* and policies which are not *claims-made*:
  - (i) the name of the *risk category*,
  - (ii) the amounts reported in **Form 20A** under the *risk category* that have arisen from *claims-made policies*, and
  - (iii) the amounts reported in **Form 20A** under the *risk category* that have arisen from policies which are not *claims-made*;
- (e) (code 20Ae) the amounts reported in **Form 20A** under *category number* 002 ("Total primary (direct) and facultative business") that is *facultative business*;
- (f) (code 20Af) the amounts reported in **Form 20A** under each of *category numbers* 113 (Travel), 274 (Mixed commercial package) and 343 (Energy) that has arisen from business falling within -
  - (i) each group of *classes* in **Annex 11.2 Part II**, and
  - (ii) *classes* 16, 17 and 18 combined (miscellaneous financial loss, legal expenses and assistance).
- (2) The *insurer* may make reasonable estimates of the amounts required under (1)(d) to (f) and 17(1)(d) of this Appendix.

Paragraph 8 is deleted in its entirety.

8. [deleted]

...

## UK and overseas business

16. (1) For each ~~accounting class~~ risk category there must be stated ~~separately for business accounted for on an accident year basis and on an underwriting year basis the following~~ by way of supplementary note (code 20Ag02) to **Form 20 20A** -
- (a) if any of the total gross written premiums and the amounts reported in Form 20A under the risk category is attributable to home foreign business or overseas business, the amount of the gross written premiums in the risk category attributable to UK and to overseas business, home foreign business, and other UK business; and
  - (b) if any of the business reported in Form 20A under the risk category is attributable to overseas business, the countries in which the business in the risk category is carried on; and the reinsurers' amount in respect of each of the amounts required to be stated under (a);
  - (c) the name of the risk category.
- (2) For the purpose of this Appendix, and (1)(a) in particular, *gross written premiums* must be shown or included as UK premiums if, in the case of *direct and facultative insurance business* the *contract of insurance* was effected in the United Kingdom or if, in the case of a *reinsurance* treaty, the cedant was an *insurer* having its head office in the United Kingdom or was a member of the *Society*; and overseas premiums must be construed accordingly.
- (3) In a Form 31, 32 or 34, an insurer must enter in the space alongside 'reporting territory' -
- (a) 'World wide' if the business on the Form is a subset of category numbers 330 or 340 or category number 350; or
  - (b) one of the following if the business on the Form is otherwise
    - (i) 'United Kingdom other than home foreign' for business carried on in the United Kingdom that is not home foreign business,
    - (ii) 'Home Foreign' for home foreign business, or
    - (iii) 'Overseas' for business carried on outside the United Kingdom.

...

### Transfers of general insurance business

17. (1) If during the *financial year*, policies already effected by another *insurer* have been transferred to the *insurer*, an *insurer* must state, in respect of each *risk category* ~~*accounting class*~~, the following by way of supplementary note to **Form 23** (code 2302) and **24 20A** (code 20Ah403)-

...

- (c) any amounts included in ~~premiums and claims~~ columns 1, 2, 3 and 4 on **Form 20A** in respect of consideration for the transfer;
- (d) ~~[deleted] the amounts required to be stated under (c) analysed by risk group and business category;~~
- (e) ...
- (f) whether or not any of the *policies* has a duration longer than 12 months and, if so, the date by which all those policies will have expired.

...

- (3) (a) For each *risk category* that contains *general insurance business* for which an *insurer* is required, by rules 9.17 and 9.19, to prepare a **Form 26 to 29, 31, 32 or 34** in the *return* for the *financial year in question*, the *insurer* must, subject to (b), state the amount included in columns 2 plus 3 and the amount included in column 4 on **Form 20A** that arise from *policies* already effected by another *insurer* that have been transferred to the *insurer*, by way of supplementary note to **Form 20A** (code 20Ai).
- (b) For each *risk category* (a) only applies if the amount included in columns 2 plus 3 plus 4 on **Form 20A** that arises from transferred *policies* exceeds £10m or the higher of £1m and 10% of the amount shown in columns 2 plus 3 plus 4 on **Form 20A** for that *risk category*.

...

### Provision for unexpired risks

19. (1) The amount included for the provision for unexpired risks in **Form 22** or **25** prepared in respect of an ~~*accounting class*~~ *FSA general insurance business reporting category* must be determined without taking into account any surplus expected to arise on the unexpired risks falling within other ~~*accounting classes*~~ *FSA general insurance business reporting categories*.
- (2) Where in determining the amount of the overall provision for unexpired risks (line 13 in **Form 15** less line 62 in **Form 13**) credit has been taken for any



aggregate surplus expected to arise on the unexpired risks falling in any ~~accounting class~~ FSA general insurance business reporting category, the amount of that credit must be included as a negative amount at line 19 of **Form 22** or line 23 of **Form 25**, as appropriate, for that ~~accounting class~~ category.

...

#### Cessation of business

21. (1) If the *insurer* has effected no 'new contracts of insurance' in any one or more *classes* of *general insurance business* during the *financial year*, the date on which the last 'new contract' of each such *class* was effected must be stated by way of a supplementary note (code 20A~~j03~~) to **Form 20A**.

...

#### Claims management costs

22. (1) ...
- (2) If, in respect of any ~~accounting class~~ FSA general insurance business reporting category -
- ...
- (3) If, within an ~~accounting class~~ FSA general insurance business reporting category, an *insurer* has ceased to effect 'new contracts of insurance' during the *financial year* in *question*, the basis upon which any additional costs arising as a result of such cessation have been determined or the reason for anticipating that no such additional costs will be incurred must be included in the note required by (1).

...

...

#### Underwriting year accounting

24. (1) With reference to the *financial year in question* and in respect of each ~~accounting class~~ FSA general insurance business reporting category, the following information must be stated by way of supplementary note (code 2402) to **Form 24** -

...

- (b) the basis for distinguishing between such business and any other business falling within the same ~~accounting class~~ FSA general

insurance business reporting category accounted for on an accident year basis;

...

(2) ...

(a) ...

(b) the basis for distinguishing between such business and other business accounted for on an underwriting year basis falling within the same ~~accounting class~~ FSA general insurance business reporting category;

(c) the normal period for which an underwriting year is left 'open' or, if that period differs for different types of business within ~~an accounting class~~ an FSA general insurance business reporting category -

...

...

...

#### **Business managed together**

25. ...

(2) ...

(a) a description of the business in respect of which the anticipated surplus arises and of the business in respect of which the deficit to be offset arises (including in the case of **Form 25** the ~~risk groups or business risk categories~~ risk categories into which such business falls); and

...

#### **Application of accounting practice**

26. (1) Amounts in respect of inwards and outward *contracts of insurance* must be classified for inclusion in **Forms 20A, 20 to 39** according to their economic substance and in accordance with generally accepted accounting practice.

(2) Where amounts in respect of an inward or outward *contract of insurance* have been excluded from the revenue account, the following must be shown by way of a supplementary note (code 20Ak04) to **Form 20A** -

...

...

### Discounting

27. ...

(5) The following must be stated by way of supplementary note (code 3003) to **Form 30** -

- (a) the ~~risk groups and business risk~~ risk categories where adjustments for discounting have been made; and
- (b) in respect of each such ~~risk group or business risk category~~ -

...

...

Paragraph 29 is deleted in its entirety.

29. [deleted]

### Continuation sheets

30. Continuation sheets to **Forms 31** and **34** need only be prepared in respect of ~~accounting class 7~~ FSA general insurance business reporting categories 271 to 274.

31. The currency ~~country~~ codes required for **Forms 26 to 29, 31, 32** and **34** and country codes must be in accordance with the following Table:

COUNTRY	CODE	<u>CURRENCY</u>	<u>CODE</u>
Afghanistan	QS	<u>Afghani</u>	<u>AFA</u>
Albania	CE	<u>Albanian Lek</u>	<u>ALL</u>
Algeria	KA	<u>Algerian dinar</u>	<u>DZD</u>
Andorra	CG	<u>Euro</u>	<u>EUR</u>
Angola	MT	<u>Kwanza</u>	<u>AOA</u>
Anguilla	GY	<u>East Caribbean Dollar</u>	<u>XCD</u>
Antigua And Barbuda	GP	<u>East Caribbean Dollar</u>	<u>XCD</u>
Argentina	JA	<u>Argentine Peso</u>	<u>ARP</u>
Armenia	RB	<u>Armenian dram</u>	<u>AMD</u>
Aruba	GM	<u>Aruban guilder</u>	<u>AWG</u>
Australia	EA	<u>Australian dollar</u>	<u>AUD</u>
Austria	BL	<u>Euro</u>	<u>EUR</u>

Azerbaijan	RC	<u>Azerbaijani menat</u>	<u>AZM</u>
Bahamas	GD	<u>Bahamian dollar</u>	<u>BSD</u>
Bahrain	PN	<u>Bahraini dinar</u>	<u>BHD</u>
Bangladesh	QA	<u>taka</u>	<u>BDT</u>
Barbados	GA	<u>Barbadian dollar</u>	<u>BBD</u>
Belarus	RD	<u>Belarusian ruble</u>	<u>BYR</u>
Belgium	BD	<u>Euro</u>	<u>EUR</u>
Belize	HH	<u>Belizean dollar</u>	<u>BBD</u>
Benin	LK	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Bermuda	GE	<u>Bermudan dollar</u>	<u>BMD</u>
Bhutan	QX	<u>ngultrum/Indian rupee</u>	<u>BTN/INR</u>
Bolivia	JL	<u>boliviano</u>	<u>BOB</u>
Bosnia and Herzegovina	CH	<u>marka</u>	<u>BAM</u>
Botswana	MG	<u>pula</u>	<u>BWP</u>
Brazil	JC	<u>real</u>	<u>BRL</u>
Brunei	QY	<u>Bruneian Dollar</u>	<u>BND</u>
Bulgaria	CD	<u>lev</u>	<u>BGN</u>
Burkina Faso	LL	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Burundi	MW	<u>Burundi franc</u>	<u>BIF</u>
Cambodia	QU	<u>reil</u>	<u>KHR</u>
Cameroon	MV	<u>CFA Franc (BEAC)</u>	<u>XAF</u>
Canada	FA	<u>Canadian dollar</u>	<u>CAD</u>
Cape Verde	LM	<u>Cape Verdean escudo</u>	<u>CVE</u>
Central African Republic	MY	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Chad	NA	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Channel Islands	BA	<u>British pound</u>	<u>CGB</u>
Chile	JB	<u>Chilean peso</u>	<u>CLP</u>
China (Taiwan)	QQ	<u>new Taiwan dollar</u>	<u>TWD</u>
China, Peoples Rep.Of	QJ	<u>yuan</u>	<u>CNY</u>
<u>Christmas Island</u>	ET	<u>Australian dollar</u>	<u>AUD</u>
<u>Cocos Island</u>	EU	<u>Australian dollar</u>	<u>AUD</u>
Colombia	JD	<u>Colombian peso</u>	<u>COP</u>
Comoros	MX	<u>Comoran franc</u>	<u>EMF</u>
Congo, Democratic Republic of	MM	<u>Congolese franc</u>	<u>CDF</u>
Congo (Republic of)	MU	<u>CFA franc</u>	<u>XOF</u>
<u>Cook Islands</u>	EV	<u>New Zealand dollar</u>	<u>NZD</u>
Costa Rica	HF	<u>Costa Rican colon</u>	<u>CRC</u>
Croatia	CJ	<u>kuna</u>	<u>HRK</u>
Cuba	GJ	<u>Cuban peso</u>	<u>CUP</u>
Curacao (Netherlands Antillies)	GL	<u>Netherlands Antillean guilder</u>	<u>ANG</u>
Cyprus	DA	<u>Cypriot pound</u>	<u>CYP</u>
Czech Republic	CP	<u>Czech koruna</u>	<u>CZK</u>
Denmark	BE	<u>Danish krone</u>	<u>DKK</u>
Djibouti	NB	<u>Djiboutian franc</u>	<u>DJF</u>
Dominica	GR	<u>East Caribbean Dollar</u>	<u>XCD</u>
Dominican Republic	GF	<u>Dominican peso</u>	<u>DOP</u>
Ecuador	JF	<u>U.S. Dollar</u>	<u>USD</u>
Egypt	KE	<u>Egyptian pound</u>	<u>EGP</u>
El Salvador	HB	<u>Salvadoran colon</u>	<u>SVC</u>
England	AC	<u>British pound</u>	<u>GBP</u>

Equatorial Guinea	NC	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Eritrea	NK	<u>nakfa</u>	<u>ERN</u>
Estonia	RE	<u>kroon</u>	<u>EEK</u>
Ethiopia	MP	<u>birr</u>	<u>ETB</u>
European Currencies, Weighted Average Of	CZ	<u>European Currencies, Weighted Average Of</u>	<u>XBA</u>
European Currency Unit	CY	<u>European Currency Unit</u>	<u>XEU</u>
<u>Falkland Islands</u>	<u>AZ</u>	<u>British pound</u>	<u>GBP</u>
<u>Faro Islands</u>	<u>CT</u>	<u>Danish krone</u>	<u>DKK</u>
Fiji	EC	<u>Fijian dollar</u>	<u>FJD</u>
Finland	BR	<u>Euro</u>	<u>CY</u>
France	BF	<u>Euro</u>	<u>EUR</u>
French Guiana	JK	<u>Euro</u>	<u>EUR</u>
<u>French Polynesia</u>	<u>EY</u>	<u>CFP Franc</u>	<u>XPF</u>
Gabon	ND	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Gambia, The	LA	<u>Dalasi</u>	<u>GMD</u>
Georgia	RF	<u>lari</u>	<u>GEL</u>
Germany	BK	<u>Euro</u>	<u>EUR</u>
Ghana	LB	<u>cedi</u>	<u>GHC</u>
Gibraltar	DB	<u>British pound</u>	<u>GBP</u>
Grand Cayman Islands	GW	<u>Caymanian Dollar</u>	<u>KYD</u>
Greece	BN	<u>Euro</u>	<u>EUR</u>
Greenland	CS	<u>Danish krone</u>	<u>DKK</u>
Grenada	GQ	<u>East Caribbean Dollar</u>	<u>XCD</u>
Guam	RW	<u>US dollar</u>	<u>USD</u>
Guatemala	HD	<u>quetzal</u>	<u>GTQ</u>
Guinea	LN	<u>Guinean franc</u>	<u>GNF</u>
Guinea-Bissau	LP	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Guyana	JH	<u>Guyanese dollar</u>	<u>GYD</u>
Haiti	GK	<u>gourde</u>	<u>HTG</u>
Home Foreign- <i>United Kingdom</i>	AB		
Honduras	HC	<u>Lempira</u>	<u>HNL</u>
Hong Kong	QE	<u>Hong Kong dollar</u>	<u>HKD</u>
Hungary	CC	<u>Hungarian forint</u>	<u>HUF</u>
Iceland	BU	<u>Icelandic krona</u>	<u>ISK</u>
India	QB	<u>India rupee</u>	<u>INR</u>
Indonesia	QM	<u>India rupiah</u>	<u>IDR</u>
Iran	PB	<u>Iranian rial</u>	<u>IRR</u>
Iraq	PJ	<u>Iraqi dinar</u>	<u>IQD</u>
Irish Republic	BC	<u>Euro</u>	<u>EUR</u>
Isle Of Man	BB	<u>British pound</u>	<u>GBP</u>
Israel	PC	<u>New Israeli shekel</u>	<u>ILS</u>
Italy	BG	<u>Euro</u>	<u>EUR</u>
Ivory Coast	LH	<u>CFA franc</u>	<u>XOF</u>
Jamaica	GB	<u>Jamaican dollar</u>	<u>JMD</u>
Japan	QK	<u>yen</u>	<u>JPY</u>
Jordan	PL	<u>Jordanian dinar</u>	<u>JOD</u>
Kazakhstan	RG	<u>tenge</u>	<u>KZT</u>
Kenya	MA	<u>Kenyan shilling</u>	<u>KES</u>
Kiribati	ED	<u>Australian dollar</u>	<u>AUD</u>

Kirghizia (alternate name for Kyrgyzstan)	RV	<u>Kyrgyzstani som</u>	<u>KGS</u>
Korea, South	QR	<u>North Korean won</u>	<u>KPW</u>
Korea, North	QP	<u>South Korean won</u>	<u>KRW</u>
Kuwait	PD	<u>Kuwaiti dinar</u>	<u>KWD</u>
Kyrgyzstan	RV	<u>Kyrgyzstani som</u>	<u>KGS</u>
Laos	RT	<u>kip</u>	<u>LAK</u>
Latvia	RJ	<u>Latvian lat</u>	<u>LVL</u>
Lebanon	PE	<u>Lebanese pound</u>	<u>LBP</u>
Lesotho	MH	<u>South African Rand</u>	<u>ZAR</u>
Liberia	LG	<u>Liberian dollar</u>	<u>LRD</u>
Libya	KD	<u>Libyan dinar</u>	<u>LYD</u>
Liechtenstein	CK	<u>Swiss Franc</u>	<u>CHF</u>
Lithuania	RK	<u>litas</u>	<u>LTL</u>
Luxembourg	BH	<u>Euro</u>	<u>EUR</u>
<u>Macau</u>	<u>QD</u>	<u>pataca</u>	<u>MOP</u>
Macedonia	BZ	<u>denars</u>	<u>MKD</u>
Madagascar	MS	<u>Malagasy franc</u>	<u>MGF</u>
Malawi	MD	<u>Malawian kwacha</u>	<u>MWK</u>
Malaysia	QF	<u>ringgit</u>	<u>MYR</u>
Maldives	RU	<u>rufiyaa</u>	<u>MVR</u>
Mali	LE	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Malta	DC	<u>Maltese lira</u>	<u>MTL</u>
Marshall Islands	EM	<u>Euro</u>	<u>EUR</u>
Mauritania	LS	<u>Ouguiya</u>	<u>MRO</u>
Mauritius	ML	<u>Mauritian rupee</u>	<u>MUR</u>
Mexico	HA	<u>Mexican peso</u>	<u>MXN</u>
Micronesia	EN	<u>Euro</u>	<u>EUR</u>
Moldova	RL	<u>Moldovan leu</u>	<u>MDL</u>
Monaco	CF	<u>Euro</u>	<u>EUR</u>
Mongolia	RM	<u>todrog/tugrik</u>	<u>MNT</u>
Monserrat	GS	<u>East Caribbean Dollar</u>	<u>XCD</u>
Morocco	KB	<u>Moroccan dirham</u>	<u>MAD</u>
Mozambique	MR	<u>metical</u>	<u>MZM</u>
Myanmar	QH	<u>Myanmar kyat</u>	<u>MMK</u>
Namibia	NE	<u>Namibian dollar</u>	<u>NAD</u>
Nauru	EE	<u>Australian dollar</u>	<u>AUD</u>
Nepal	QT	<u>Nepalese rupee</u>	<u>NPR</u>
Netherlands	BJ	<u>Euro</u>	<u>CY</u>
Netherlands Antilles	GX	<u>Netherlands Antillean guilder</u>	<u>ANG</u>
<u>New Caledonia</u>	<u>EZ</u>	<u>CFP Franc</u>	<u>XPF</u>
New Zealand	EB	<u>New Zealand dollar</u>	<u>NZD</u>
Nicaragua	HE	<u>gold cordoba</u>	<u>NIO</u>
Niger	NF	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Nigeria	LC	<u>naira</u>	<u>NGN</u>
<u>Niue</u>	<u>ER</u>	<u>New Zealand dollar</u>	<u>NZD</u>
<u>Norfolk Island</u>	<u>ES</u>	<u>Australian dollar</u>	<u>AUD</u>
Northern Ireland	AF	<u>British pound</u>	<u>GBP</u>
Norway	BS	<u>Norwegian krone</u>	<u>NOK</u>
Oman	PP	<u>Omani rial</u>	<u>OMR</u>

Pakistan	QC	<u>Pakistani rupee</u>	<u>PKR</u>
Palau	EP	<u>US dollar</u>	<u>USD</u>
Panama	HG	<u>Panama dollar</u>	<u>PAD</u>
Papua New Guinea	EF	<u>kina</u>	<u>PGK</u>
Paraguay	JM	<u>guarani</u>	<u>PYG</u>
Peru	JG	<u>nuevo sol</u>	<u>PEN</u>
Philippines	QL	<u>Philippine peso</u>	<u>PHP</u>
<u>Pitcairn Islands</u>	<u>EX</u>	<u>New Zealand dollar</u>	<u>NZD</u>
Poland	BV	<u>zloty</u>	<u>PLN</u>
Portugal	BP	<u>Euro</u>	<u>EUR</u>
Puerto Rico	GG	<u>US dollar</u>	<u>USD</u>
Qatar	PG	<u>Qatari rial</u>	<u>QAR</u>
Romania	BW	<u>leu</u>	<u>ROL</u>
Russia	RN	<u>ruble</u>	<u>RUB</u>
Rwanda	NG	<u>Rwandan franc</u>	<u>RWF</u>
San Marino	CL	<u>Euro</u>	<u>EUR</u>
Sao Tome And Principle	LQ	<u>dobra</u>	<u>STD</u>
Saudi Arabia	PF	<u>riyal</u>	<u>SAR</u>
Scotland	AE	<u>British pound</u>	<u>GBP</u>
Senegal	LJ	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
<u>Serbia and Montenegro</u>	<u>CR</u>	<u>Serbian dinar</u>	<u>CSD</u>
Seychelles	NH	<u>Seychelles rupee</u>	<u>SCR</u>
Sierra Leone	LD	<u>leone</u>	<u>SLL</u>
Singapore	QG	<u>Singapore dollar</u>	<u>SGD</u>
Slovakia	CQ	<u>Slovak koruna</u>	<u>SKK</u>
Slovenia	CM	<u>tolar</u>	<u>SIT</u>
Solomon Islands	EG	<u>Solomon Islands dollar</u>	<u>SBD</u>
Somalia	MQ	<u>Somali shilling</u>	<u>SOS</u>
South Africa	MK	<u>South African Rand</u>	<u>ZAR</u>
Spain	BQ	<u>Euro</u>	<u>EUR</u>
Sri Lanka	QZ	<u>Sri Lankan rupee</u>	<u>LKR</u>
St Helena And Dependencies	NJ	<u>British pound</u>	<u>GBP</u>
St Kitts-Nevis	GT	<u>East Caribbean Dollar</u>	<u>XCD</u>
St Lucia	GV	<u>East Caribbean Dollar</u>	<u>XCD</u>
St Martin	GN	<u>Netherlands Antillean guilder /</u> <u>Euro</u>	<u>ANG / EUR</u>
St Vincent and The Grenadines	GU	<u>East Caribbean Dollar</u>	<u>XCD</u>
Sudan	MN	<u>Sudanese dinar</u>	<u>SDD</u>
Surinam	JJ	<u>Surinamese guilder</u>	<u>SRG</u>
<u>Svalbard</u>	<u>BX</u>	<u>Norwegian krone</u>	<u>NOK</u>
Swaziland	MJ	<u>Swaziland lilangeni</u>	<u>SZL</u>
Sweden	BT	<u>Swedish krona</u>	<u>SEK</u>
Switzerland	BM	<u>Swiss franc</u>	<u>CHF</u>
Syria	PK	<u>Syrian pound</u>	<u>SYP</u>
Tahiti	QV	<u>CFP Franc</u>	<u>XPF</u>
Tajikistan	RP	<u>somoni</u>	<u>TJS</u>
Tanzania	MC	<u>Tanzanian shilling</u>	<u>TZS</u>
Thailand	QN	<u>baht</u>	<u>THB</u>
Togo	LR	<u>CFA franc (BCEAO)</u>	<u>XOF</u>
Tolelau	EQ	<u>New Zealand dollar</u>	<u>NZD</u>

Tonga	EH	pa'anga	TOP
Trinidad And Tobago	GC	Trinidad and Tobago dollar	TTD
Tunisia	KC	Tunisian dinar	TND
Turkey	PA	Turkish lira	TRL
Turkmenistan	RQ	Turkmen manat	TMM
Turks & Caicos Islands	GZ	US dollar	USD
Tuvalu	EJ	Australian dollar	AUD
Uganda	MB	Ugandan shillings	UGX
Ukraine	RR	hryvnia	UAH
United Arab Emirates	PH	Emirati dirham	AED
United Kingdom	AA	British pound	GBP
		Converted to British pound	XBP
		British pound and converted to	YBP
		British pound combined	
Uruguay	JN	Uruguayan peso	UYU
USA	FB	US dollar	USD
Uzbekistan	RS	Uzbekistani sum	UZS
Vanuatu	EK	vatu	VUV
Vatican City	CN	Euro	EUR
Venezuela	JE	bolivar	VEB
Vietnam	QW	dong	VND
Virgin Islands	GH	US dollar	USD
Wales	AD	British pound	GBP
Wallis and Futuna	EW	CFP Franc	XPF
Western Sahara	KF	Moroccan dirham	MAD
Western Samoa	EL	Samoa tala	WST
Yemen, South	PM	Yemeni rial	YER
Zambia	ME	Zambian kwacha	ZMK
Zimbabwe	MF	Zimbabwean dollar	ZWD

32. The reporting territory codes required for **Forms 31, 32 and 34** must be in accordance with the following Table:

<u>Reporting territory</u>	<u>Code</u>
<i>General insurance business carried on in the United Kingdom that is not home foreign business</i>	<u>AA</u>
<i>home foreign business</i>	<u>AB</u>
<i>General insurance business carried on outside the United Kingdom</i>	<u>XX</u>
<i>World wide</i>	<u>WW</u>



## FORMS

[Forms **20A and 20** – 39 to follow]

The following amendments are made to this series of Forms and instructions:

- new **Form 20A**
- **Forms 33 and 35** are deleted.
- The majority of the remainder of the Forms and instructions are amended, underlining indicates new text and striking through indicates deleted text.

**Forms 30, 36 and 37** are not being amended and so have been omitted



New **Form 20A**, which is inserted before **Form 20**

**Form 20A**

**General insurance business – summary of business carried on**

Name of insurer

Global business/UK branch business/EEA branch

Financial year ended

		Company registration number	GL/ UK/ EEA	day	month	year	units
		R20A					£000
<i>Category number</i>	<i>FSA return general insurance business reporting category</i>				Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at end of this financial year	Provision for gross unearned premium at end of the financial year
						Reported	Incurred but not reported
					1	2	3
001	Total business			1			
002	Total primary (direct) and facultative business			2			
003	Total treaty reinsurance accepted business			3			
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)			4			
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)			5			
160	Primary (direct) and facultative household and domestic all risks			6			
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)			7			
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)			8			
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)			9			
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)			10			
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)			11			
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)			12			

340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13				
350	Total primary (direct) and facultative goods in transit	14				
400	Miscellaneous primary (direct) and facultative business	15				
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16				
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17				
700	Miscellaneous treaty reinsurance accepted business	18				
	TOTAL (lines 4 to 18)	20				
	PRIMARY (DIRECT) and FACULTATIVE PERSONAL LINES BUSINESS					
111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23				
114	Personal accident or sickness	24				
121	Private motor – comprehensive	25				
122	Private motor – non-comprehensive	26				
123	Motor cycle	27				
160	Primary (direct) and facultative household and domestic all risks (equals line 6)	28				
181	Assistance	29				
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32				
185	Mortgage indemnity	33				
186	Pet insurance	34				
187	Other personal financial loss	35				
	PRIMARY (DIRECT) and FACULTATIVE COMMERCIAL LINES BUSINESS					
221	Fleets	41				
222	Commercial vehicles (non-fleet)	42				
223	Motor other	43				
261	Commercial property	44				
262	Consequential loss	45				
263	Contractors or engineering all risks	46				
271	Employers liability	47				
272	Professional indemnity	48				
273	Public and products liability	49				
274	Mixed commercial package	50				
281	Fidelity and contract guarantee	51				
282	Credit	52				
283	Suretyship	53				

284	Commercial contingency	54				
	PRIMARY (DIRECT) and FACULTATIVE: AVIATION, MARINE and TRANSPORT					
331	Aviation liability	61				
332	Aviation hull	62				
333	Space and satellite	63				
341	Marine liability	64				
342	Marine hull	65				
343	Energy (on and off-shore)	66				
344	Protection and indemnity	67				
345	Freight demurrage and defence	68				
346	War risks	69				
347	Yacht	70				
350	Total primary (direct) and facultative goods in transit (equals line 14)	71				
400	Miscellaneous primary (direct) and facultative business (equals line 15)	72				
	NON-PROPORTIONAL TREATY					
510	Non-proportional accident & health	81				
520	Non-proportional motor	82				
530	Non-proportional aviation	83				
540	Non-proportional marine	84				
550	Non-proportional transport	85				
560	Non-proportional property	86				
570	Non-proportional liability (non-motor)	87				
580	Non-proportional financial lines	88				
590	Non-proportional aggregate cover	89				
	PROPORTIONAL TREATY					
610	Proportional accident & health	91				
620	Proportional motor	92				
630	Proportional aviation	93				
640	Proportional marine	94				
650	Proportional transport	95				
660	Proportional property	96				
670	Proportional liability (non-motor)	97				
680	Proportional financial lines	98				
690	Proportional aggregate cover	99				
700	Miscellaneous treaty reinsurance accepted business (equals line 18)	101				
	TOTAL (lines 21 to 101)	111				

## Instructions for completion of Form 20A

1. The amount to be shown under *gross written premiums* for an *FSA general insurance business reporting category* must equate to F21. (13+14+15). (1+2) plus F24.11.11 as if **Forms 21 or 24** were required for that *FSA general insurance business reporting category*.
2. The amount to be shown under provision for gross unearned premium for an *FSA general insurance business reporting category* must equate to F21.19.2 + F25.22.12 as if **Forms 21 or 25** were required for that *FSA general insurance business reporting category*.
3. The amounts to be shown under provisions for gross claims outstanding/ reported for an *FSA general insurance business reporting category* must equate to the sum of (F27.29.5 + F29.11.12, converted to sterling if appropriate) over all currencies or the sum of (F31 or F32.30.5 + F34.30.3) over all the currencies and territories, for that *FSA general insurance business reporting category* as if **Forms 27, 29, 31, 32 or 34** were required for all business in that *FSA general insurance business reporting category*.
4. The amounts to be shown under provisions for gross claims outstanding/incurred but not reported for an *FSA general insurance business reporting category* must equate to the sum of (F27.29.6 + F29.13.12, converted to sterling if appropriate) over all currencies or the sum of (F31 or F32.30.6 + F34.30.4) over all the currencies an territories, for that *FSA general insurance business reporting category* as if **Forms 27, 29, 31, 32 or 34** were required for all business in that *FSA general insurance business reporting category*.
5. Where the unrounded value for one of the columns is zero for a particular *FSA general insurance business reporting category*, the relevant cell should be left blank.
6. Lines 1, 20 and 111 should all be the same and equal to the total *insurance business*.
7. Where line 1 column 1 is different to line 11 column 1 Form 11, the insurer must provide an explanation for the reason in a supplementary note (code 20A1)

**General insurance business : Technical account (excluding equalisation provisions)**

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

FSA general insurance business reporting category

		Company registration number	GL/UK/CM	Period ended			Units	Category number Accounting class/ summary
		R20		day	month	year	£000	
Items to be shown net of reinsurance			This financial year <b>1</b>	Previous year <b>2</b>	Source			
					Form	Line	Column	
This year's underwriting (accident year accounting)	Earned premium	<b>11</b>				21 . 19 . 5		
	Claims incurred	<b>12</b>				22 . 17 . 4		
	Claims management costs	<b>13</b>				22 . 18 . 4		
	Adjustment for discounting	<b>14</b>				22 . 52 . 4		
	Increase in provision for unexpired risks	<b>15</b>				22 . 19 . 4		
	Other technical income or charges (particulars to be specified by way of supplementary note)	<b>16</b>						
	Net operating expenses	<b>17</b>				22 . 42 . 4		
	Balance of year's underwriting (11-12-13+14-15+16-17)	<b>19</b>						
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	<b>21</b>				21 . 11 . 5		
	Claims incurred	<b>22</b>				22 . 13 . 4		
	Claims management costs	<b>23</b>				22 . 14 . 4		
	Adjustment for discounting	<b>24</b>				22 . 51 . 4		
	Other technical income or charges (particulars to be specified by way of supplementary note)	<b>25</b>						
	Net operating expenses	<b>26</b>				22 . 41 . 4		
	Balance (21-22-23+24+25-26)	<b>29</b>						
Balance from underwriting year accounting	Per Form 24	<b>31</b>				24 . 69 . 99-99		
	Other technical income and charges (particulars to be specified by way of supplementary note)	<b>32</b>						
	Total	<b>39</b>						
Balance of all years' underwriting (19+29+39)		<b>49</b>						
Allocated investment return income		<b>51</b>						
Transfer to non-technical account (49+51)		<b>59</b>						

...

**General insurance business (accident year accounting) : Analysis of premiums**

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

Accounting class FSA general insurance business reporting category

		Company registration number	GL/UK/CM	Period ended			Units	Accounting Class Category number
		day	month	year				
		<b>R21</b>					<b>£000</b>	
<b>Premiums receivable during the financial year</b>		Gross premiums written		Reinsurers' share		Net of reinsurance		
		Earned in previous financial years <b>1</b>		Earned in previous financial years <b>3</b>		Earned in previous financial years <b>5</b>		
In respect of risks incepted in previous financial years		<b>11</b>						
			Earned in this financial year <b>1</b>	Unearned at end of this financial year <b>2</b>	Earned in this financial year <b>3</b>	Unearned at end of this financial year <b>4</b>	Earned in this financial year <b>5</b>	Unearned at end of this financial year <b>6</b>
In respect of risks incepted in previous financial years		<b>12</b>						
In respect of risks incepted in this financial year	For periods of less than 12 months	<b>13</b>						
	For periods of 12 months	<b>14</b>						
	For periods of more than 12 months	<b>15</b>						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		<b>16</b>						
Total (12 to 16)		<b>19</b>						

...



**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

Accounting class FSA general insurance business reporting category

		Company registration number	GL/UK/CM	Period ended			Units	Accounting Class Category number
				day	month	year		
<b>R22</b>							<b>£000</b>	
			Amount brought forward from previous financial year	Amount payable/ receivable in this financial year	Amount carried forward to next financial year	Amount attributable to this financial year		
			1	2	3	4		
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11						
	Reinsurers' share	12						
	Net (11-12)	13						
	Claims management costs	14						
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15						
	Reinsurers' share	16						
	Net (15-16)	17						
	Claims management costs	18						
Provision for unexpired risks		19						
Net operating expenses	Commissions	21						
	Other acquisition expenses	22						
	Administrative expenses	23						
	Reinsurance commissions and profit participations	24						
	Total (21+22+23-24)	29						
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31						
	Reinsurers' share	32						
	Claims management costs	33						
	Total (31-32+33)	39						
Split of line 29	Prior financial years	41						
	This financial year	42						
Split of line 39	Incidents occurring prior to this financial year	51						
	Incidents occurring in this financial year	52						

### **Instructions for completion of Form 22**

1. Amounts included at lines 11 to 18 must be shown undiscounted and related adjustments for discounting must be shown at lines 31 to 39.
2. The values in column 4 are calculated as follows:  
  
for lines 11 to 18 values in columns 2+3-1;  
for lines 21 to 29 and lines 41 to 42 values in columns 1+2-3;  
for line 19, lines 31 to 39 and lines 51 to 52 values in columns 3-1.
3. Amounts shown at lines 11 to 13, lines 15 to 17 and lines 31 and 32 must exclude amounts in respect of *claims management costs*.

## General insurance business (accident year accounting) : Analysis of net claims and premiums

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

Accounting class

FSA general insurance business reporting category

Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

Accounting  
Class  
Category  
number

Accident year ended			Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Balance on each accident year Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original reserve %	Claims ratio %
Month	Year		1	2	3	4	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	9	10	11	12	13
		11													
		12													
		13													
		14													
		15													
		16													
		17													
		18													
		19													
		20													
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29													

### Instructions for completion of Form 23

1. All figures are to be shown net of the *reinsurers'* share.
2. The accident years shown at lines 11 to 20 must correspond to the *financial year in question* and the nine *previous financial years* respectively.
3. Columns 1 to 9 must be shown before deduction for discounting.
4. All amounts shown must exclude *claims management costs*.
5. The percentage shown at column 12 must be the ratio of the columns 3+4+5+6-2 to column 2.
6. The percentage shown at column 13 must be the ratio of columns 1+3+4+5+6 to column 11.
7.  $23.29.5 + 23.29.6 = 22.13.3 + 22.17.3$ ;  $23.29.7 + 23.29.8 = 22.13.1$ ;  
 $23.29.10 = 22.31.3 - 22.32.3$ ; and  $23.29.4 = 22.13.2 + 22.17.2$ .
8. [deleted]
9. ~~[deleted] Columns 1, 11 and 13 need not be completed in respect of accident years ended before 23 December 1994.~~
10. The percentages shown at columns 12 and 13 must be expressed as percentages to one place of decimals.
11. ~~Insurance business reported on any Form 33 may be reported on this Form at line 22 and not lines 11 to 21~~ Line 22 is to be left blank.

## General insurance business (underwriting year accounting) : Analysis of premiums, claims and expenses

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

Accounting-class FSA general insurance business reporting categoryCompany  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

Accounting  
Class  
Category  
number

Underwriting year ended		Prior underwriting years		MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	Total all previous columns	
		29	29																			99	99
Premiums written	Gross amount	11																					
	Reinsurers' share	12																					
	Net (11-12)	19																					
Claims paid	Gross amount	21																					
	Reinsurers' share	22																					
	Net (21-22)	29																					
Claims management costs		39																					
Net operating expenses	Commissions	41																					
	Other acquisition expenses	42																					
	Administrative expenses	43																					
	Reinsurers' commissions and profit participations	44																					
	Payable net (41+42+43-44)	49																					
Technical provisions	Brought forward	Undiscounted	51																				
		Adjustment for discounting	52																				
	Carried forward	Undiscounted	53																				
		Adjustment for discounting	54																				
	Increase (decrease) in the financial year (53-54-51+52)		59																				
Balance on each underwriting year (19-29-39-49-59)		69																					

#### Instructions for completion of Form 24

1. The underwriting years shown between the columns headed "29 29" and "99 99" must correspond (in reverse order) to the *financial year in question* and the nine *previous financial years* respectively.
2. Amounts shown in lines 21 to 29 must exclude *claims management costs*.
3. ~~[deleted] For accounting classes 1 to 8 and 10, amounts in respect of underwriting years ended before 23 December 1993 may be included in the prior underwriting years column.~~
4. The amounts shown at lines 51 to 54 must exclude equalisation provisions.
5. The amounts shown at lines 11 to 49 must be amounts payable or *receivable* during the *financial year in question*.

**General insurance business (underwriting year accounting) : Analysis of technical provisions**

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

Accounting class FSA general insurance business reporting category

		Company registration number	GL/UK/CM	Period ended day month year			Units	Accounting class Category number															
		R25					£000																
Underwriting year ended	Prior underwriting years	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	Total all previous columns	
	29	29																				99	99
Reported claims outstanding	Gross amount	11																					
	Reinsurers' share	12																					
Claims incurred but not reported	Gross amount	13																					
	Reinsurers' share	14																					
Claims management costs		15																					
Adjustment for discounting	Gross amount	16																					
	Reinsurers' share	17																					
	Claims management costs	18																					
Allocation to/(from) another accounting class risk category of anticipated surplus		19																					
Balance of the fund		20																					
Claims outstanding (11-12+13-14+15-16+17-18+19+20)		21																					
Provision for unearned premiums		22																					
Provision for unexpired risks		23																					
Deferred acquisition costs		24																					
Other technical provisions (particulars to be specified by way of supplementary note)		25																					
Total (21+22+23-24+25)		29																					

**Instructions for the completion of Form 25**

1. The underwriting years shown between the columns headed "29 29" and "99 99" must correspond (in reverse order) to the *financial year in question* and the nine *previous financial years*, respectively.
2. Lines 11 to 15, 19 to 21 and 29 must be completed for open years and lines 11 to 18 and 21 to 29 for closed years.
3. Line 29 must equal line 53 less 54 on Form 24.
4. Lines 11 to 15 must be shown before adjustment for *discounting*.
5. Lines 11 to 14, 16 and 17 must exclude *claims management costs*.
6. ~~[deleted] For accounting classes 1 to 8 and 10, amounts in respect of financial years ended before 23 December 1993 may be included in the prior underwriting years column.~~
7. Amounts may only be included at line 19 in so far as they arise from the offset of anticipated surpluses and deficits on *insurance business* managed together as defined by paragraph 25 of Appendix 9.2.
8. Particulars of any amounts included at line 25 on must be stated in a supplementary note (code 2505) to the form.

...



**General insurance business (accident year accounting) : Analysis of net claims and premiums by category for treaty reinsurance**

Name of insurer

Accounting-class Currency

Global business/UK branch business/EEA branch business

Currency

Financial year ended

Company  
registration  
number

GL/UK/CM

Period ended  
day month yearMonetary  
unitsBusiness  
Category  
Category  
NumberAccounting  
Class

Currency

Risk-Category FSA general insurance business reporting category

Accident year ended			Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Balance for each accident year Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original reserve %	Claims ratio %
Month	Year						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
		11													
		12													
		13													
		14													
		15													
		16													
		17													
		18													
		19													
		20													
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29													

Accounting class Currency

~~Currency~~

**Company  
registration  
number**

GL/UK/CM

Period ended		
y	month	year

Moneta  
units

**Business  
Category  
Category  
Number**

## Accounting Class

**Currency**

**Risk Category** FSA general insurance business reporting category

[illegible]

## Instructions for completion of Form 26

1. All figures are to be shown net of the *reinsurers'* share.
2. The accident years shown at lines 11 to 20 must correspond to the *financial year in question* and the nine *previous financial years* respectively.
3. Columns 1 to 9 must be shown before deduction for *discounting*.
4. All amounts shown must exclude *claims management costs*.
5. The percentage shown at column 12 must be the ratio of the columns 3+4+5+6-2 to column 2.
6. The percentage shown at column 13 must be the ratio of columns 1+3+4+5+6 to column 11.
7. ~~[deleted] 27.29.5+27.29.6 = 22.11.3+22.15.3; 27.29.7+27.29.8=22.11.1; 27.29.10=22.31.3; and 27.29.4=22.11.2+22.15.2~~
8. The percentages shown at columns 12 and 13 must be expressed as percentages to one place of decimals.
9. The amounts shown in line 21 must be analysed on continuation sheets by accident year subject to instruction 10 below.
10. On the continuation sheet, for category numbers 590 and 690, the amounts in columns 2 and 4 to 10 for accident years ending prior to 31 December 1996 may be shown in the aggregate and columns 1, 3 11 to 13 need not be completed for underwriting years ending prior to 31 December 1996
110. ~~The box marked "Business category" must be completed by inserting one of the letters "a" to "h" according to which of the sub paragraphs of rule 9.16(1) describes the *business category* to which the Form relates. The box marked "category number" must be completed by inserting the 3 digit *category number* to which the *FSA general insurance business reporting category* relates.~~
124. ~~The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**. Where the allocation or apportionment to business categories of any *reinsurance* treaties accepted which have previously been reported differs from that adopted previously, rule 9.17(3)(a) requires an explanation of the nature of the change and the reasons for it in a supplementary note (code 2603) to this form.~~
132. ~~Line 22 is to be left blank. Where the allocation or apportionment to business categories of any *reinsurance* treaties accepted differs from that adopted previously for *reinsurance* treaties relating to similar risks, rule 9.17(3)(a) requires an explanation of the nature of the change and the reasons for it in a supplementary note (code 2604) to this form.~~

## General insurance business (accident year accounting) : Analysis of gross claims and premiums by category for treaty reinsurance

Name of insurer

Accounting class Currency

Global business/UK branch business/EEA branch business

Currency

Financial year ended

Company  
registration  
number

GL/UK/CM

Period ended  
day month yearMonetary  
unitsBusiness  
Category  
NumberAccounting  
Class

Currency

Risk Category FSA general insurance business reporting category

Accident year ended		Claims paid (gross) during the accident year	Claims outstanding (gross) as at end of the accident year	Total claims paid (gross) since the end of the accident year but prior to this financial year	Claims paid (gross) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Balance for each accident year Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (gross)	Earned premiums (gross)	Deterioration/ (surplus) of original reserve %	Claims ratio %
Month	Year					Reported (gross)	Incurred but not reported (gross)	Reported (gross)	Incurred but not reported (gross)					
		1	2	3	4	5	6	7	8	9	10	11	12	13
		11												
		12												
		13												
		14												
		15												
		16												
		17												
		18												
		19												
		20												
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29												

~~Accounting class~~

## Currency

**Business  
Category  
Category  
Number**

## Accounting Class

## Currency

Category FSA general insurance business reporting category

[illegible]

### Instructions for completion of Form 27

1. All figures must be shown gross of the *reinsurers'* share.
2. The accident years shown at lines 11 to 20 must correspond to the *financial year in question* and the nine *previous financial years* respectively.
3. Columns 1 to 9 are to be shown before deduction for *discounting*.
4. All amounts shown must exclude *claims management costs*.
5. The percentage shown at column 12 must be the ratio of the columns 3+4+5+6-2 to column 2.
6. The percentage shown at column 13 must be the ratio of columns 1+3+4+5+6 to column 11.
7. [deleted]
8. The percentages shown at columns 12 and 13 must be expressed as percentages to one place of decimals.
9. The amounts shown in line 21 must be analysed on continuation sheets by accident year subject to instruction 10 below.
10. On the continuation sheet, for category numbers 590 and 690, the amounts in columns 2 and 4 to 10 for accident years ending prior to 31 December 1996 may be shown in the aggregate and columns 1, 3 11 to 13 need not be completed for underwriting years ending prior to 31 December 1996
11. ~~The box marked "Business category" must be completed by inserting one of the letters "a" to "h" according to which of the sub paragraphs of rule 9.16(1) describes the *business category* to which the Form relates. The box marked "category number" must be completed by inserting the 3 digit *category number* to which the *FSA general insurance business reporting category* relates.~~
12. The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**.
13. Line 22 is to be left blank.

## General insurance business (underwriting year accounting) : Analysis of premiums, claims and expenses by category for treaty reinsurance

Name of insurer

Accounting class Currency

Currency

Global business/UK branch business/EEA branch business

Financial year ended

Company  
registration  
number

GL/UK/CM

Period ended  
day month yearMonetary  
unitsBusiness  
Category  
NumberAccounting  
Class

Currency

Risk-Category FSA general insurance business reporting category

R28

Underwriting year ended		Prior underwriting years		MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	Total all previous columns	
		29	29																					99	99
Premiums written	Gross amount	11																							
	Reinsurers' share	12																							
	Net (11-12)	19																							
Claims paid	Gross amount	21																							
	Reinsurers' share	22																							
	Net (21-22)	29																							
Claims management costs		39																							
Net operating expenses	Commissions	41																							
	Other acquisition expenses	42																							
	Administrative expenses	43																							
	Reinsurers' commissions and profit participations	44																							
	Payable net (41+42+43-44)	49																							
Technical provisions	Brought forward	Undiscounted	51																						
		Adjustment for discounting	52																						
	Carried forward	Undiscounted	53																						
		Adjustment for discounting	54																						
	Increase (decrease) in the financial year (53-54-51+52)		59																						
Balance on each financial year (19-29-39-49-59)		69																							

General insurance business (underwriting year accounting) : Analysis of premiums, claims and expenses by category for treaty reinsurance

Name of insurer

Accounting class Currency

Currency

Global business/UK branch business/EEA branch business

Financial year ended

Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Monetary  
units

Business  
Category  
Number

Accounting  
Class

Currency

Risk-Category FSA general insurance business reporting category

Underwriting year ended		MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY
Premiums written	Gross amount	11																							
	Reinsurers' share	12																							
	Net (11-12)	19																							
Claims paid	Gross amount	21																							
	Reinsurers' share	22																							
	Net (21-22)	29																							
	Claims management costs	39																							
Net operating expenses	Commissions	41																							
	Other acquisition expenses	42																							
	Administrative expenses	43																							
	Reinsurers' commissions and profit participations	44																							
	Payable net (41+42+43-44)	49																							
Technical provisions	Brought forward Undiscounted	51																							
	Adjustment for discounting	52																							
	Carried forward Undiscounted	53																							
	Adjustment for discounting	54																							
	Increase (decrease) in the financial year (53-54-51+52)	59																							
	Balance on each financial year (19-29-39-49-59)	69																							



## Instructions for completion of Form 28

1. The underwriting years shown between the columns headed "29 29" and "99 99" must correspond (in reverse order) to the *financial year in question* and the nine *previous financial years*.
2. Amounts shown in lines 21 to 29 must exclude *claims management costs*.
3. The amounts shown at lines 51 to 54 must exclude equalisation provisions.
4. ~~[deleted] For accounting class 10 (other than business categories (c) and (d) and such other categories as have been reported previously on Form 29) amounts in respect of underwriting years ended before 23 December 1993 may be included in the prior underwriting years column and (if so) instruction 5 must not apply to such amounts.~~
5. The amounts shown in the first column must be analysed on continuation sheets by underwriting year (although for category numbers 590 and 690 amounts in respect of underwriting years ended before 31 December 1996 may be shown in aggregate, for risk categories 610, 620, 650, 660 and 680 amounts in respect of underwriting years ended before 23 December 1993 may be shown in aggregate and for other business amounts in respect of underwriting years beginning prior to 1 January 1983 may be shown in aggregate).
6. ~~The box marked "Business category" must be completed by inserting one of the letters "a" to "h" according to which of the sub paragraphs of rule 9.16(1) describes the business category to which the Form relates. The box marked "category number" must be completed by inserting the 3 digit category number to which the FSA general insurance business reporting category relates.~~
7. The amounts shown at lines 11 to 49 must be amounts payable or *receivable* during the *financial year in question*.
8. The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**. Where the allocation or apportionment to business categories of any *reinsurance* treaties accepted which have previously been reported differs from that adopted previously, rule 9.17(3)(a) requires an explanation of the nature of the change and the reasons for it in a supplementary note (code 2803) to this form.
9. ~~Where the allocation or apportionment to business categories of any *reinsurance* treaties accepted differs from that adopted previously for *reinsurance* treaties relating to similar risks, rule 9.17(3)(a) requires an explanation of the nature of the change and the reasons for it in a supplementary note (code 2804) to this form.~~

## General insurance business (underwriting year accounting) : Analysis of technical provisions by category for treaty reinsurance

Name of insurer

Accounting class Currency

Global business/UK branch business/EEA branch business

Currency

Financial year ended

Company  
registration  
number

GL/UK/CM

Period ended  
day month yearMonetary  
unitsBusiness  
Category  
NumberAccounting  
Class

Currency

Risk Category FSA general insurance business reporting category

Underwriting year ended		Prior underwriting years		MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	Total all previous columns	
		29	29																					99	99
Reported claims outstanding	Gross amount	11																							
	Reinsurers' share	12																							
Claims incurred but not reported	Gross amount	13																							
	Reinsurers' share	14																							
Claims management costs		15																							
Adjustment for discounting	Gross amount	16																							
	Reinsurers' share	17																							
	Claims management costs	18																							
Allocation to/(from) another category or accounting class risk category of anticipated surplus		19																							
Balance of the fund		20																							
Claims outstanding (11-12+13-14+15-16+17-18+19+20)		21																							
Provision for unearned premiums		22																							
Provision for unexpired risks		23																							
Deferred acquisition costs		24																							
Other technical provisions (particulars to be specified by way of supplementary note)		25																							
Total (21+22+23-24+25)		29																							

~~Currency~~

**Currency**

R29

[illegible]

## Instructions for completion of Form 29

1. The underwriting years shown between the columns headed "29 29" and "99 99" must correspond (in reverse order) to the *financial year in question* and the nine *previous financial years*, respectively.
2. Lines 11 to 15, 19 to 21 and 29 must be completed for open years and lines 11 to 18 and 21 to 29 for closed years.
3. Line 29 equals line 53 less 54 on Form 28.
4. Lines 11 to 15 must be shown before adjustment for *discounting*.
5. Lines 11 to 14, 16 and 17 must exclude *claims management costs*.
6. ~~[deleted] For accounting class 10 (other than business categories (c) and (d) and such other categories as have been reported previously on Form 29) amounts in respect of underwriting years ended before 23 December 1993 may be included in the prior underwriting years column and (if so) instruction 7 must not apply to such amounts.~~
7. The amounts shown in the first column must be analysed on continuation sheets by underwriting year (although for *category numbers* 590 and 690 amounts in respect of underwriting years ended before 31 December 1996 may be shown in aggregate, for *category numbers* 610, 620, 650, 660 and 680 amounts in respect of underwriting years ended before 23 December 1993 may be shown in aggregate, and for other business amounts in respect of underwriting years beginning prior to 1 January 1983 may be shown in aggregate).
8. ~~The box marked "Business category" must be completed by inserting one of the letters "a" to "h" according to which of the sub paragraphs of rule 9.16(1) describes the business category to which the Form relates. The box marked "category number" must be completed by inserting the 3 digit category number to which the FSA general insurance business reporting category relates.~~
9. Amounts may only be included at line 19 in so far as they arise from the offset of anticipated surpluses and deficits on business managed together (as defined by paragraph 25 of Appendix 9.2).
10. The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**.

...

**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk group category for direct insurance and facultative reinsurance**

Name of insurer

Accounting-class Currency

Global business/UK branch business/EEA branch business

Currency Reporting Territory

Financial year ended

Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Monetary  
units

Currency  
Country

Accounting  
class  
Category  
number

Risk category FSA general insurance business reporting category

**R31**

Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance for each accident year Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
		11											
		12											
		13											
		14											
		15											
		16											
		17											
		18											
		19											
		20											
Prior accident years		21											
Total (11 to 21)		29											
Line 29 expressed in sterling		30											

~~Accounting class: Third-party liability~~ Currency

<del>Currency</del>	<u>Reporting Territory</u>
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Company registration number	GL/UK/CM	Period ended			Monetary units	Currency	Category
		day	month	year		Country	Number

R31								7
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86

### Instructions for completion of Form 31

1. All figures must be shown gross of the *reinsurers'* share and before any deduction for *discounting*.
2. The accident years at lines 11 to 20 must correspond to the *financial year in question* and the nine *previous financial years* respectively.
3. All amounts shown must exclude *claims management costs*.
4. The percentage shown at column 11 is the ratio of the sum of columns 3 to 6 to column 10.
5. [deleted]
6. The percentages shown at column 11 must be expressed as percentages to one place of decimals.
7. For ~~risk groups falling in accounting class 7~~ *risk categories 271 to 274* the amounts shown in line 21 must be analysed by accident year on continuation sheets subject to instructions 8 and 9 below.
8. On the continuation sheet columns 10 and 11 need not be completed in respect of accident years ended before 23 December 1994.
9. On the continuation sheet, for category number 274, the amounts in columns 2 and 4 to 8 for accident years ending prior to 31 December 1996 may be shown in the aggregate and columns 1 and 3 need not be completed for underwriting years ending prior to 31 December 1996.
108. Columns 1 and 2 need not be completed in respect of ~~accounting classes 3, 4 and 5~~ *risk categories 331 to 400*.
11. The box marked "category number" must be completed by inserting the 3 digit *category number* to which the *FSA general insurance business reporting category* relates.
12. The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**.
13. The entry alongside "reporting territory" must be the relevant 3 character code from the list in the Table in **Appendix 9.2 Paragraph 32**.

## General insurance business (accident year accounting) : Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance

Name of insurer

Currency  
Reporting Territory

Global business/UK branch business/EEA branch business

Financial year ended

Company  
registration  
number

GL/UK/CM

Period ended  
day month yearMonetary  
unitsCategory  
number

Country

Risk group FSA general insurance business reporting category

R32

Accident year ended			Number of claims		Gross claims paid		Gross claims carried forward		Gross claims brought forward		Balance on each accident year	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %
Month	Year		Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)				
			1	2	3	4	5	6	7	8	9	10	11	12	13
		11													
		12													
		13													
		14													
		15													
		16													
		17													
		18													
		19													
		20													
Prior accident		21													
Total (11 to 21)		29													
Line 29 expressed in sterling		30													



### Instructions for completion of Form 32

1. All figures must be shown gross of the *reinsurers'* share and before any deduction for *discounting*.
2. The accident years at lines 11 to 20 must correspond to the *financial year in question* and the nine *previous financial years* respectively.
3. All amounts shown must exclude *claims management costs*.
4. The percentage shown at column 11 must be the ratio of the sum of columns 3 to 6 to column 10.
5. Columns 10 to 13 need not be completed in respect of accident years ended before 23 December 1994.
6. The number of vehicle years insured in any accident year is the aggregate of the product for each *contract of insurance* of the period (being the period during that accident year when the contract was in force) and the number of vehicles insured under the contract. Figures are to be rounded to the nearest thousand-vehicle years only after aggregating component figures.
7. The percentage shown at column 13 must be the ratio of the sum of columns 1 and 2 to the product of 1000 and column 12.
8. The percentages shown at columns 11 and 13 must be expressed as percentages to one place of decimals.
9. The box marked "category number" must be completed by inserting the 3 digit *category number* to which the *FSA general insurance business reporting category* relates.
10. The entry alongside "currency" must be the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**.
11. The entry alongside "reporting territory" must be the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 32**.

~~Accounting class~~ Currency

Currency Reporting Territory

**Currency**

**Accounting  
Class  
Category  
number**

R34								
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90

~~Accounting class: Third-party liability~~ Currency

Currency Reporting Territory

<u>Currency</u>	<u>Accounting</u> <u>class</u>
<u>Country</u>	<u>Category</u> <u>number</u>

R34							7
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91

### Instructions for completion of Form 34

1. All figures must be shown gross of the *reinsurers'* share and before any deduction for *discounting*.
2. The underwriting years at lines 11 to 20 must correspond to the *financial year in question* and the nine *previous financial years* respectively.
3. All amounts shown must exclude *claims management costs*.
4. The percentage shown at column 9 must be the ratio of the sum of columns 1 to 4 to column 8.
5. [deleted]
6. The percentages shown at column 9 must be expressed as percentages to one place of decimals.
7. For ~~risk groups falling in accounting class 7~~ risk categories 271 to 274, the amounts shown in line 21 must be analysed by underwriting year on continuation sheets subject to instructions 8 and 9 below.
8. On the continuation sheet columns 8 and 9 need not be completed in respect of *financial years* ended before 23 December 1994.
9. On the continuation sheet, for *category number* 274, the amounts in columns 2 to 6 for accident years ending prior to 31 December 1996 may be shown in the aggregate and column 1 need not be completed for underwriting years ending prior to 31 December 1996.
10. The box marked "category number" must be completed by inserting the 3 digit *category number* to which the *FSA general insurance business reporting category* relates.
11. The box marked "currency" must be completed by inserting the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 31**.
12. The entry alongside "reporting territory" must be the relevant 3 character currency code from the list in the Table in **Appendix 9.2 Paragraph 32**.

...

**Equalisation provisions technical account : Accident year accounting**

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

		Company registration number	GL/UK/CM	Period ended			Units
				day	month	year	
		<b>R38</b>					<b>£000</b>
		Business group A (property)	Business group B (business interruption)	Business group C (marine and aviation)	Business group D (nuclear)	Business group E (non-proportional treaty)	
		1	2	3	4	5	
<b>Other than credit business</b>							
Net premiums earned	11						
Claims incurred net of reinsurance	12						
Trigger claims value	13						
Abnormal loss	19						
Trigger claims ratio		72.5%	72.5%	95%	25%	100%	

**Credit business**

Net premiums earned	21	
Claims incurred net of reinsurance	22	
Claims management costs	23	
Net operating expenditure	24	
Technical surplus/(deficit) (21-22-23-24)	29	

### Instructions for completion of Form 38

1. Apart from *credit insurance business*, any *insurance business* transferred to an *insurer* by novation or under Part VII of the *Act* (or the *1982 Act*) must be accounted for in accordance with *PRU 7.5.34R*.
2. The entries at line 11 must be the part of the amount that would appear on ~~derived from~~ Form 21 at line 11, column 5 and line 19, column 5, that in whole or in part covers the *insurance business grouping*, at line 11, column 5 and line 19, column 5 (whether or not a Form 21 for that business is required).
3. The entries at line 12 must be the part of the amount that would appear on ~~derived from~~ Form 22 at line 13 and 17 column 4, that in whole or part covers the *insurance business grouping*, at line 13 and 17, column 4 (whether or not a Form 21 for that business is required).
4. The entries at line 13 must be line 11 (or nil if line 11 is negative) multiplied by the trigger *claims* ratio for the *insurance business grouping*.
5. For each *insurance business grouping* the entry at line 19 must be the amount, if any, by which the entry at line 12 for that *insurance business grouping* exceeds the entry at line 13. If the entry at line 12 does not exceed the entry at line 13, line 19 must be left blank.
6. The entry at line 21 must be the part of the amount that would appear on ~~derived from~~ Form 21 for ~~accounting class 8~~ combined categories 180 and 280, at line 11, column 5 and line 19, column 5 (whether or not a Form 21 for combined categories 180 or 280 is required) that relates to include only to credit insurance business in general insurance business class 14.
7. The entry at line 22 must be the part of the amount that would appear on ~~derived from~~ Form 22 for ~~accounting class 8~~ combined categories 180 and 280, at lines 13 and 17, column 4 (whether or not a Form 22 for combined categories 180 or 280 is required) that relates to include only to credit insurance business in general insurance business class 14.
8. The entry at line 23 must be the part of the amount that would appear on ~~derived from~~ Form 22 for ~~accounting class 8~~ combined categories 180 and 280, at lines 14 and 18, column 4 (whether or not a Form 23 for combined categories 180 or 280 is required) that relates to include only to credit insurance business in general insurance business class 14.
9. The entry at line 24 must be the part of the amount that would appear on ~~derived from~~ Form 22 for ~~accounting class 8~~ combined categories 180 and 280, at lines 19 and 29, column 4 (whether or not a Form 23 for combined categories 180 or 280 is required) that relates to include only to credit insurance business in general insurance business class 14.

**Equalisation provisions technical account : Underwriting year accounting**

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

		Company registration number	GL/UK/CM	Period ended			Units
		R39		day	month	year	£000
		Business group A (property)	Business group B (business interruption)	Business group C (marine and aviation)	Business group D (nuclear)	Business group E (non-proportional treaty)	
		1	2	3	4	5	
<b>Other than credit business</b>							
Net premiums written	11						
Claims net of reinsurance	12						
Trigger claims value	13						
Abnormal loss	19						
Trigger claims ratio		72.5%	72.5%	95%	25%	100%	

**Credit business**

Net premiums written	21	
Claims net of reinsurance	22	
Claims management costs	23	
Net operating expenditure	24	
Technical surplus/(deficit) (21-22-23-24)	29	

### Instructions for completion of Form 39

1. Apart from *credit insurance business*, any *insurance business* transferred to an insurer by novation or under Part VII of the *Act* (or the *1982 Act*) must be accounted for in accordance with *PRU 7.5.34R*.
2. The entries at line 11 must be that part of the amount that would appear on ~~derived from~~ Form 24 at line 19, column 99-99, that in whole or in part covers the *insurance business grouping* (whether or not a Form 24 for that business is required), ~~at line 19, column 99-99~~.
3. The entries at line 12 must be that part of the amount that would appear on ~~derived from column 99-99~~ of Forms 24 and 25 at column 99-99, that in whole or part covers the *insurance business grouping* (whether or not Forms 24 and 25 for that business is required), as follows:  
  
line 29 on Form 24 plus line 29 less line 15 plus line 24 on Form 25 less line 29 plus line 15 less line 24 on Form 25 for the *preceding financial year*.
4. The entries at line 13 must be line 11 (or nil if line 11 is negative) multiplied by the trigger *claims* ratio for the *insurance business grouping*.
5. For each *insurance business grouping* the entry at line 19 must be the amount, if any, by which the entry at line 12 for that *insurance business grouping* exceeds the entry at line 13. If the entry at line 12 does not exceed the entry at line 13, line 19 must be left blank.
6. The entry at line 21 must be that part of the amount that would appear on ~~derived from~~ Form 24 for ~~accounting class 8~~ combined categories 180 and 280, at line 19, column 99-99 (whether or not a Form 24 for combined categories 180 or 280 is required) that relates ~~to include~~ only to credit insurance business in general insurance business class 14.
7. The entry at line 22 must be that part of the amount that would appear on ~~derived from~~ Form 24 for ~~accounting class 8~~ combined categories 180 and 280, at line 29, column 99-99, plus line 53, column 99-99 less line 51, column 99-99 (whether or not a Form 24 for combined categories 180 or 280 is required) that relates ~~to include~~ only to credit insurance business in general insurance business class 14.
8. The entry at line 23 must be that part of the amount that would appear on ~~derived from~~ Form 24 for ~~accounting class 8~~ combined categories 180 and 280, at line 39, column 99-99 (whether or not a Form 24 for combined categories 180 or 280 is required) that relates ~~to include~~ only to credit insurance business in general insurance business class 14.
9. The entry at line 24 must be that part of the amount that would appear on ~~derived from~~ Form 24 for ~~accounting class 8~~ combined categories 180 and 280, at line 49 column 99-99 (whether or not a Form 24 for combined categories 180 or 280 is required) that relates ~~to include~~ only to credit insurance business in general insurance business class 14.



## APPENDIX 9.3 (rules 9.14 and 9.23)

### LONG-TERM INSURANCE BUSINESS REVENUE ACCOUNT AND ADDITIONAL INFORMATION (FORMS 40 TO ~~45~~ 60)

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1. All the Forms included in the part of the *return* to which this Appendix relates (**Forms 40 to ~~45~~ 60**) are to be laid out as shown in this Appendix, except that the instructions to Forms need not be reproduced.
2. The provisions of paragraph 1(2) and paragraphs 3 to 7 of **Appendix 9.1** must, unless otherwise provided, also apply for the purposes of this Appendix. All amounts must be shown in sterling to the nearer £1,000 except valuation unit prices in Form 55 where the currency and rounding must be that used in the valuation ~~must be shown to the same level as required under Appendix 9.4.~~ Percentages must be shown to two decimal places.
- ~~3. For the purposes of this Appendix, a contract is to be regarded as a **UK contract** if, in the case of *direct or facultative reinsurance* accepted, the contract was effected in the United Kingdom or if, in the case of a *reinsurance treaty*, the *cedant* was a *insurer* having its head office in the United Kingdom or was a member of the *Society*; and **overseas contracts** is to be construed accordingly.~~
3. For the purposes of this Appendix:
  - (a) “overseas business” means *long-term insurance business* which is Overseas Life Assurance Business as defined by the Income and Corporation Taxes Act 1988;
  - (b) “regular premiums” means premiums under *contracts of insurance* which are payable at regular intervals during the *policy* year, including repeated or recurring single premiums where the level of premium is defined;
  - (c) “single premiums” means premiums under *contracts of insurance* under which there is no expectation of continuing premiums being paid at regular intervals, additional single premiums paid in respect of existing individual contracts and National Insurance rebates received from the Department of Work and Pensions;
  - (d) “UK life business” means *long-term insurance business* which is not overseas business or UK pension business;
  - (e) “UK pension business” means *long-term insurance business* which is Pension Business as defined by the Income and Corporation Taxes Act 1988.

4. (1) Where a an insurer maintains more than one *long-term insurance business fund*, there must be stated by way of a supplementary note to **Form 40** the principles and methods applied to apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between the different funds.
- (2) ~~Boxes marked 'No. of Fund/Summary' must be completed by the inclusion of a discrete number to identify each fund or, if the Form relates to a part of the 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' must be shown in the box marked 'No. of Fund/Summary'. Where the Form is a summary Form, the number '99' must be inserted in that box. Boxes marked 'No. of Part of Fund' must show a discrete number for each part of a fund or the figure '0' if the Form is a statement of the whole fund.~~
5. Where arrangements have been made for the provision of management services to an *insurer* by another *company* (whether an *insurer* or not) which are a substantial part of the day-to-day administration of the undertaking receiving the services -
  - (a) the *insurer* receiving the services must state, by way of a supplementary note to **Form 40**; and
  - (b) the *company* (if an *insurer*) providing the services must state, by way of a supplementary note to **Form 40**,

that the arrangements have been in force in the *financial year* and naming the parties to them.
6. Where neither the *mathematical reserves* nor the *gross premiums* with respect to the total overseas business exceeds £50m or 5 % of the total *mathematical reserves*, an *insurer* may treat that business -
  - (a) in the case of business which would fall within 3(e) if it were business effected in the United Kingdom, as UK pension business, or
  - (b) otherwise, as UK life business.

**FORMS**  
[Forms 40 – ~~45~~ **60** to follow]

**Long-term insurance business: Revenue account**

**Form 40**

Name of insurer

~~Global business/UK branch business/EEA branch business~~

~~Ordinary insurance business/Industrial insurance business~~ Total business / subfund

Financial year ended

Name and number of fund/Summary

Units

<b>[Deleted]</b>			
<del>Items to be shown net of reinsurance ceded</del>		<b>The Financial year</b>	<b>Previous year</b>
		<b>1</b>	<b>2</b>
<b><u>Income</u></b>			
Earned premiums	11		
Investment income receivable before deduction of tax	12		
Increase (decrease) in the value of non-linked assets brought into account	13		
Increase (decrease) in the value of linked assets	14		
Other income	15		
<b>Total income (11 to 15)</b>	19		
<b><u>Expenditure</u></b>			
Claims incurred	21		
Expenses payable	22		
Interest payable before deduction of tax	23		
Taxation	24		
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure (21 to 26)</b>	29		
<u>Business transfers-in</u>	<u>31</u>		
<u>Business transfers-out</u>	<u>32</u>		
Increase (decrease) in fund in financial year <del>(19 - 29)</del> (19 - 29 + 31 - 32)	39		
Fund brought forward	49		
Fund carried forward (39+49)	59		

## Instructions for completion of Form 40

1. The entry at 40.11.1 must be equal to 41.21.4 ~~the sum of 41.17.4 and 41.29.3,~~  
the entry at 40.21.1 must be equal to 42.46.59.43, and  
the entry at 40.22.1 must be equal to 43.46.441.49.3.
2. Line 13 is the amount of the increase or decrease (realised or unrealised) in the admissible value of assets (other than linked assets) or, where advantage has been taken by virtue of Rule 9.10 to apply a different value for the purposes of the Actuarial investigation under rule 9.4, the increase or decrease in that value.
3. Line 14 must include all gains and losses in respect of linked assets.
- ~~2.~~ 4. Any item of income which cannot properly be allocated to lines 11, 12, 13 or 14 must be entered ~~in~~ at line 15, and similarly, any item of expenditure which cannot properly be allocated to lines 21, 22, 23 or 24 must be entered ~~in~~ at line 25. Particulars of such items must be specified in a supplementary note [Code 4002]. Lines 15 and 25 must be used for transfers of unit management charges into or out of the fund or subfund.
- ~~3.~~ 5. Where an *insurer* decides to allocate to the *long-term insurance business* the whole or any part of investment income ~~and/or~~ net capital gains arising from assets not attributable to its *long-term insurance business*, the amounts in question must first be shown in Form 16 at lines 14 to 16, and then as a transfer ~~in~~ at line 26 and particulars must be specified in a supplementary note [Code 4003].
6. Interest payable must be included at line 23 and not line 22.
7. Taxation at line 24 is that attributable to the long-term insurance business including payments received in consideration of surrendering losses as group relief.
- ~~4.~~ 8. Where a transfer is made to the non-technical account, the entry at line 26 must show amounts which have been included ~~in~~ at line 47 of Form 58. The amount shown for transfers to the non-technical account (line 26) must agree with the equivalent amount disclosed at line 47 of Form 58 - see paragraph 4 of the Instructions for completion of Form 58. However, if there is a net transfer into the fund, the entry at line 26 will be negative and, by virtue of paragraph 3 of the Instructions for completion of Form 58, there will be a positive entry at line 34, lines 15 and 47 remaining blank. Transfers from or to other funds must be included in line 15 or 25, with transfers to reserves associated with a transfer of contracts from one fund to another specified in a supplementary note [Code 4004].
- ~~5.~~ 9. The entry at line 12 must exclude value re-adjustments on investments and gains on the realisation of investments, which must be shown ~~in~~ at lines 13 or 14 as appropriate.
- ~~6.~~ 10. The entry at line 11 must exclude any change in the provision for unearned premiums, even though it may be included in statutory (e.g., Companies Act) accounts.
- ~~7.~~ 11. The entry at line 21 must exclude *claims management costs*, which must be included ~~in~~ at line 22, and any change in the provision for *claims*.
12. Transfers of contracts from or to other funds or from another insurer must be included at line 31 or 32, with details specified in a supplementary note [Code 4004].
- ~~8.~~ 13. If any of the brought forward amounts differs from the corresponding carried forward amounts in the previous *return*, the reason must be stated as specified in paragraph 7 of Appendix 9.1 [Code 4001].
- ~~9.~~ 14. If the bases of conversion adopted in respect of foreign currency for income and expenditure have not already been stated in a note to Form 16, the bases should be stated in a supplementary note as specified in paragraph 5(2) of Appendix 9.1 [Code 4005].
- ~~10.~~ 15. Where an *insurer* maintains more than one *long-term insurance business fund*, the principles and methods applied to apportioning the investment income, the increase or decrease in the value of assets brought into account, expenses and taxation between the different funds must be stated in a supplementary note as specified in paragraph 4(1) of Appendix 9.3 [Code 4006].

- ~~11~~.16. Where arrangements have been in force during the *financial year* for the provision either by or to the *insurer* of management services, this fact must be stated in a supplementary note together with the name of the other party (to whom or from whom such services were provided or received) - see paragraph 5 of **Appendix 9.3**. This statement is only needed where a substantial part of the day-to-day administration of an *insurer* is undertaken by another company or vice versa. Note that where the arrangement is between two *insurers*, the directors will need to consider very carefully the form of their certificate under **Appendix 9.6**, Part I paragraph 4(e) [Code 4008].
- ~~12~~.17. Details of any *material connected-party transactions* as required under rule 9.39 must be stated in a supplementary note [Code 4009].

Form 41 (Long term insurance business: Analysis of premiums and expenses) is replaced by the following form:

**Long-term insurance business: Analysis of premiums**

**Form 41**

Name of insurer  
Total business / subfund  
Financial year ended  
Units

		<b>UK Life</b>	<b>UK Pension</b>	<b>Overseas</b>	<b>Total Financial year</b>	<b>Total Previous year</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Gross</b>						
Regular premiums	11					
Single premiums	12					
<b>Reinsurance - external</b>						
Regular premiums	13					
Single premiums	14					
<b>Reinsurance - intra-group</b>						
Regular premiums	15					
Single premiums	16					
<b>Net of reinsurance</b>						
Regular premiums	17					
Single premiums	18					
<b>Total</b>						
Gross	19					
Reinsurance	20					
Net	21					

### Instructions for completion of Form 41

- ~~1. Lines 11, 13, 15, 17 and 19 must include all single premium amounts where there is no expectation of continuing premiums being paid at regular intervals.~~
- ~~2. Lines 12, 14, 16, 18 and 20 must include premiums payable at regular intervals during the *policy* year, including repeated or recurrent single premiums where the level of premium is defined.~~
1. Single and regular premiums must include that part of the premium which was or will be recoverable from the Inland Revenue.
2. The entries in line 17 must equal line 11 less the sum of lines 13 and 15.  
The entries in line 18 must equal line 12 less the sum of lines 14 and 16.  
The entries at line 19 must equal the sum of lines 11 and 12.  
The entries at line 20 must equal the sum of lines 13 to 16.  
The entries at line 21 must equal line 19 less line 20.

Form 42 (Long term insurance business: Analysis of claims) is replaced by the following form:

**Long-term insurance business: Analysis of claims**

**Form 42**

Name of insurer  
Total business / subfund  
Financial year ended  
Units

		<b>UK Life</b>	<b>UK Pension</b>	<b>Overseas</b>	<b>Total Financial year</b>	<b>Total Previous year</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Gross</b>						
Death or disability lump sums	11					
Disability periodic payments	12					
Surrender or partial surrender	13					
Annuity payments	14					
Lump sums on maturity	15					
<b>Total</b>	16					
<b>Reinsurance - external</b>						
Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	26					
<b>Reinsurance - intra-group</b>						
Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
<b>Total</b>	36					
<b>Net of reinsurance</b>						
Death or disability lump sums	41					
Disability periodic payments	42					
Surrender or partial surrender	43					
Annuity payments	44					
Lump sums on maturity	45					
<b>Total</b>	46					



### Instruction for completion of Form 42

1. In the case of *industrial assurance business*, *claims* incurred on survival in respect of periodical endowment benefits must be shown in line ~~45~~ 13.
2. Maturity payments are lump sums paid to *policy holders*. Amounts paid to another *insurer* must be included in 'surrender or partial surrender'.
3. The entries in line 41 must equal line 11 less the sum of lines 21 and 31.  
The entries in line 42 must equal line 12 less the sum of lines 22 and 32.  
The entries at line 43 must equal line 13 less the sum of lines 23 and 33.  
The entries at line 44 must equal line 14 less the sum of lines 24 and 34.  
The entries at line 45 must equal line 15 less the sum of lines 25 and 35.  
The entries at line 46 must equal line 16 less the sum of lines 26 and 36.

The following Form 43 (Long term insurance business: Summarised balance sheet for internal linked funds) is inserted after Form 42, Form 45 is deleted, and Form 43 and Form 44 are re-numbered as Form 44 and Form 45 respectively:

**Long-term insurance business: Analysis of expenses**

**Form 43**

Name of insurer  
Total business / subfund  
Financial year ended  
Units

		<b>UK Life</b>	<b>UK Pension</b>	<b>Overseas</b>	<b>Total Financial year</b>	<b>Total Previous year</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Gross</b>						
Commission - acquisition	11					
Commission - other	12					
Management - acquisition	13					
Management - maintenance	14					
Management - other	15					
<b>Total</b>	16					
<b>Reinsurance - external</b>						
Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	26					
<b>Reinsurance - intra-group</b>						
Commission - acquisition	31					
Commission - other	32					
Management - acquisition	32					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	36					
<b>Net of reinsurance</b>						
Commission - acquisition	41					
Commission - other	42					
Management - acquisition	43					
Management - maintenance	44					
Management - other	45					
<b>Total</b>	46					

## Instructions for completion of Form 43

1. ~~The basis on which the assets have been valued must be stated in a supplementary note [Code 4301].~~
  2. ~~The aggregate value of rights (gross of *variation margin*) and the aggregate amount of liabilities (gross of *variation margin*) under *derivative contracts* (or in respect of contracts or assets which have the effect of a *derivative contract*) must each be stated in a supplementary note. The corresponding figures net of *variation margin* must also be stated [Code 4302]. For this purpose, rights and liabilities must not be set off against one another unless~~
    - (i) ~~such rights and liabilities may be set off against each other in accordance with generally accepted accounting practice; and~~
    - (ii) ~~such set off results (in whole or in part) from the closing out of obligations under a contract.~~
  3. ~~Where there is a liability to repay *variation margin* and there are no arrangements for netting of amounts outstanding or the arrangements would not permit the accounting of such amounts on a net basis in accordance with generally accepted accounting practice, it must be so stated in a supplementary note [Code 4303].~~
  4. ~~The total of the net asset value in column at line 8 less the total of column 3 must equal line 59 of Form 44.~~
  5. ~~Self invested *internal linked funds* (where the *policy holder* selects the investments to which his or her *policy* is linked) or adviser *internal linked funds* (where a financial adviser selects the investments to which a *policy* is linked) may be aggregated if (in either case) they meet the following conditions:~~
    - (a) ~~there is a precise matching of the assets of the fund with the corresponding unit liabilities;~~
    - (b) ~~there is no negative liquidity in the fund (that is, the sum of the values of *approved securities*, short term deposits and cash held in the fund exceeds the total of the liabilities in columns 6 and 7 of Form 43); and~~
    - (c) ~~the *policy holder* is periodically (at least annually) provided (by the *insurer* or the financial adviser) with the information on the investments that would otherwise be provided in the *return* if the funds were not aggregated, whether in the format of the relevant Forms or not.~~
1. In allocating *management expenses* to the relevant lines:
    - (a) subject to (b), costs of a non-recurring nature, such as those incurred in developing new systems or new premises, or the costs of corporate restructuring, must be reported as 'management – other';
    - (b) where they do not exceed 2% of the total *management expenses*, non-recurring costs may be included as 'management – acquisition' or 'management - maintenance';
    - (c) the costs incurred in writing new business (or in obtaining incremental (but not indexed) premiums on existing business), such as underwriting, *policy* issue, setting up (or amending) records, and the maintenance and development of the sales and marketing organisation must be reported as management – acquisition'; and
    - (d) the balancing item will be expenses related to the ongoing costs throughout the year of maintaining the business in force (including any investment management costs) which must be reported as 'management – maintenance'.
  2. Commission payable to employees of the *insurer* whose job is to sell *policies* must be included as 'management – acquisition' or 'management – maintenance'. Commission payable to employees who sell *policies* on a casual basis must be treated in the same way as that paid to *intermediaries* and to *cedents* and so must be included as 'commission – acquisition' or 'commission – other', as the case may be.

3. Expenses must be those which relate only to the *insurer's long-term insurance business*. Those relating to any other business of the *insurer* cannot, by virtue of PRU 7.6.30R, be paid out of the *long-term insurance fund* and must therefore be shown in the *general insurance business* technical account (Form 20) or the non-technical account (Form 16).
4. The entries in line 41 must equal line 11 less the sum of lines 21 and 31.  
The entries in line 42 must equal line 12 less the sum of lines 22 and 32.  
The entries at line 43 must equal line 13 less the sum of lines 23 and 33.  
The entries at line 44 must equal line 14 less the sum of lines 24 and 34.  
The entries at line 45 must equal line 15 less the sum of lines 25 and 35.  
The entries at line 46 must equal line 16 less the sum of lines 26 and 36.

Form 44 (old Form 43) (Long term insurance business: Summarised balance sheet for internal linked funds) is replaced by the following form:

**Long-term insurance business: Linked funds balance sheet**

**Form 44**

Name of insurer  
Total business / subfund  
Financial year ended  
Units

		<b>Financial year</b>	<b>Previous year</b>
		<b>1</b>	<b>2</b>
<b>Internal linked funds (excluding cross investment)</b>			
Directly held assets (excluding collective investment schemes)	11		
Directly held assets in collective investment schemes of connected companies	12		
Directly held assets in other collective investment schemes	13		
<b>Total assets (excluding cross investment) (11+12+13)</b>	14		
Provision for tax on unrealised capital gains	15		
Secured and unsecured loans	16		
Other liabilities	17		
<b>Total net assets (14-15-16-17)</b>	18		
<b>Directly held linked assets</b>			
Value of directly held linked assets	21		
<b>Total</b>			
Value of directly held linked assets and units held (18+21)	31		
Surplus units	32		
Deficit units	33		
<b>Net unit liability (31-32+33)</b>	34		

## Instructions for completion of Form 44

1. Double counting of items arising from cross investment between *internal linked funds* must be eliminated.
- ~~2. Any item of income which cannot properly be allocated to lines 11, 12, or 13 must be entered in line 14, and similarly, any item of expenditure which cannot properly be allocated to lines 21, 22, 23, 24 or 25 must be entered in line 26. Particulars of such items must be specified in a supplementary note.~~
- ~~3. The gross value of units created must be shown in line 11. The gross value of units cancelled must be shown in line 21.~~
2. The basis on which the assets have been valued must be stated in a supplementary note [Code 4401].
3. The aggregate value of rights (gross of *variation margin*) and the aggregate amount of liabilities (gross of *variation margin*) under *derivative contracts* (or in respect of contracts or assets which have the effect of a *derivative contract*) must each be stated in a supplementary note. The corresponding figures net of *variation margin* must also be stated [Code 4402]. For this purpose, rights and liabilities must not be set off against one another unless-
  - (a) such rights and liabilities may be set off against each other in accordance with generally accepted accounting practice; and
  - (b) such set off results (in whole or in part) from the closing out of obligations under a *contract of insurance*.
4. Where there is a liability to repay *variation margin* and there are no arrangements for netting of amounts outstanding, or the arrangements would not permit the accounting of such amounts on a net basis in accordance with generally accepted accounting practice, it must be so stated in a supplementary note [Code 4403].
5. The total of the net asset value at line 18 must equal line 59 of Form 45.
6. If the surplus units exceed 1% of the net unit liability, a statement of the purpose of the surplus units must be given in a supplementary note [Code 4404].
7. A supplementary note setting out the name of the fund, the net asset value and the liquidity ratio [Code 4405] must be provided for any fund -
  - (a) whose net asset value is greater than £10m, and with respect to which there is negative liquidity (i.e., liabilities of the fund less *approved securities*, short term deposits and cash held in the fund is a negative amount) exceeding 5% of the net asset value of the fund; and
  - (b) whose net asset value is greater than £500,000, and with respect to which there is negative liquidity exceeding 50% of the net asset value of the fund.
8. 'Connected company' has the meaning given in rule 11.1.

**Long-term insurance business: Aggregate revenue account for internal linked funds**

**Form 44-45**

Name of insurer

~~Global business/UK branch business/EEA branch business~~

~~Ordinary insurance business/Industrial insurance business~~ Total business / subfund

Financial year ended

~~Name and number of fund/Summary~~

Units

		<b>Financial year</b>	<b>Previous year</b>
		<b><u>1</u></b>	<b><u>2</u></b>
<b><u>Income</u></b>			
Value of total creation of units	11		
Investment income attributable to the funds before deduction of tax	12		
Increase (decrease) in the value of investments in the financial year	13		
Other income	14		
<b>Total income (11 to 14)</b>	19		
<b><u>Expenditure</u></b>			
Value of total cancellation of units	21		
Charges for management	22		
Charges in respect of tax on investment income	23		
Taxation on realised capital gains	24		
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25		
Other expenditure	26		
<b>Total expenditure (21 to 26)</b>	29		
Increase (decrease) in funds in financial year (19-29)	39		
Internal linked fund brought forward	49		
Internal linked funds carried forward (39+49)	59		

## Instructions for completion of Form 45

1. ~~Column 3 must show the provisions for tax on unrealised capital gains as a percentage of the taxable unrealised capital gain. Similarly, column 4 must show the provisions for tax on realised capital gains as a percentage of the taxable realised capital gain.~~
  2. ~~The liquidity percentage shown in column 5 must be the sum of the values of *approved securities*, short term deposits and cash held by the fund, less any liabilities included in column 6 or 7 of Form 43, shown as a percentage of the net asset value in column 8 of Form 43.~~
  3. ~~Where there is more than one series of units for any *internal linked* fund the valuation price of each series of unit must be given in column 6 together with the name of that series of unit.~~
  4. ~~Self invested *internal linked funds* (where the *policy holder* selects the investments to which his or her *policy* is linked) or adviser *internal linked funds* (where a financial adviser selects the investments to which a *policy* is linked) may be aggregated if (in either case) they meet the following conditions:~~
    - (a) ~~there is a precise matching of the assets of the fund with the corresponding unit liabilities;~~
    - (b) ~~there is no negative liquidity in the fund (that is, the sum of the values of *approved securities*, short term deposits and cash held in the fund exceeds the total of the liabilities in columns 6 and 7 of Form 43); and~~
    - (c) ~~the *policy holder* is periodically (at least annually) provided (by the *insurer* or the financial adviser) with the information on the investments that would otherwise be provided in the *return* if the funds were not aggregated, whether in the format of the relevant Forms or not.~~
- 
1. Double counting of items arising from cross investment between *internal linked funds* must be eliminated.
  2. If any of the brought forward amounts differs from the corresponding carried forward amounts in the previous *return*, then the reason for the difference must be stated in a supplementary note as specified in paragraph 7 of Appendix 9.1 [Code 4501].
  3. Any item of income which cannot properly be allocated to lines 11, 12, or 13 must be entered at line 14, and similarly, any item of expenditure which cannot properly be allocated to lines 21, 22, 23, 24 or 25 must be entered at line 26. Particulars of such items must be specified in a supplementary note [Code 4502].
  4. The gross value of units created must be shown at line 11. The gross value of units cancelled must be shown at line 21. Each day's movements must be netted or recorded as two separate entries, one positive and one negative. The total net positive and negative movements must be recorded at lines 11 or 21 as appropriate.



Form 46 (Long term insurance business: Summary of changes in ordinary long term business) is replaced by the following form and Form 46A (Long term business: Summary of changes in industrial assurance business) is deleted:

**Long-term insurance business: Summary of new business**

**Form 46**

Name of insurer  
Total business  
Financial year ended  
Units

		<b>UK Life</b>	<b>UK Pension</b>	<b>Overseas</b>	<b>Total Financial year</b>	<b>Total Previous year</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Number of new policyholders / scheme members for direct insurance business</b>						
Regular premium business	11					
Single premium business	12					
<b>Total</b>	13					
<b>Amount of new regular premiums</b>						
Direct insurance business	21					
External reinsurance	22					
Intra-group reinsurance	23					
<b>Total</b>	24					
<b>Amount of new single premiums</b>						
Direct insurance business	25					
External reinsurance	26					
Intra-group reinsurance	27					
<b>Total</b>	28					

## Instructions for completion of Form 46

- ~~1. Information must be gross of *reinsurance ceded* and must be provided separately for United Kingdom *insurance business* and overseas *insurance business*, and in each case for *non-linked* and *linked contracts*.~~
- ~~2. The box marked NL/LN must be completed by the insertion “LN” for a *linked contract*, and “NL” for a *non-linked contract*, as defined in rule 10.1.~~
- ~~3. The figures for annual premiums must include repeated or recurrent single premiums where the level of premium is defined.~~
- ~~4. For *hybrid-linked contracts*, movements between linked and non-linked business must be shown in lines 13 and 27 as appropriate.~~
- ~~5. Only *claims* payments which result in the termination of a contract providing cover for other insured events may be shown in line 22.~~
1. Line 11 is the sum of column 3 of Form 47.  
Line 12 is the sum of column 5 of Form 47.  
Lines 21, 22 and 23 are the sum of column 4 of Form 47 for that business.  
Lines 25, 26 and 27 are the sum of column 6 of Form 47 for that business.
2. ‘New’ *policy holders* or scheme members are those who have effected a new individual contract or joined the scheme during the *financial year in question*.
3. ‘New’ regular premiums and ‘new’ single premiums are premiums from new *policy holders* and scheme members, and may also include new increments on existing *policies* accepted by the *insurer*, in the *financial year in question*.

#### **Instructions for completion of Form 46A**

1. ~~Separate forms must be prepared in respect of *insurance business* carried on in the United Kingdom and in Northern Ireland but information about the numbers of *policies* in force at the beginning and at the end of the year need not be given in respect of *insurance business* carried on in Northern Ireland.~~
2. ~~The box marked UK/NI must be completed by the insertion of "UK" for *insurance business* carried on in the United Kingdom, and "NI" for *insurance business* carried on in Northern Ireland.~~
3. ~~*Policies* discontinued by return of premiums on the death of the assured must be included in line 21 and not in line 24.~~
4. ~~Paid-up *policies* which are written off must be included in line 21 in the case of whole life *policies* and line 22 in the case of endowments.~~

Form 47 (Long term insurance business: Analysis of new ordinary long term business) is replaced by the following form and Form 47A (Long term insurance business: Analysis of new industrial assurance business) is deleted:

**Long-term insurance business: Analysis of new business**

Name of insurer

Total business

Financial year ended

Units

UK Life / UK Pension / Overseas (State or Territory) / Direct Insurance Business / Reinsurance accepted external / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6

## Instructions for completion of Form 47

1. ~~New insurance business must be shown gross of reinsurance ceded and must include increases to premiums on existing policies, and in dealing with such increases, columns 2 and 5 must be left blank.~~
2. ~~Single premium contracts must consist of those contracts under which there is no expectation of continuing premiums being paid at regular intervals. Additional single premiums paid in respect of existing individual contracts must be included.~~
3. ~~Regular premium contracts must include those contracts under which premiums are payable at regular intervals during the policy year, including repeated or recurrent single premiums where the level of premium is defined.~~
4. ~~1.~~ Information must be shown separately for each type of insurance business and ~~totalled within each section~~ in the sequence specified below:

- (i) ~~United Kingdom direct insurance business,~~
- (ii) ~~United Kingdom reinsurance accepted,~~
- (iii) ~~overseas direct insurance business, and~~
- (iv) ~~overseas reinsurance accepted~~
- (a) UK life ('UKL');
- (b) UK pension ('UKP'); and
- (c) overseas ('OS').

Overseas business may, at the discretion of the insurer, be subdivided by state or territory.

5. ~~2.~~ The information must be shown separately ~~and totalled~~ within each type of *insurance business* in the sequence specified below:

- (i) ~~life assurance and general annuity business,~~
- (ii) ~~pension business,~~
- (iii) ~~permanent health business, and~~
- (iv) ~~other business~~
- (a) direct insurance business ('DB');
- (b) reinsurance accepted which is external to the insurance group ('RE'); and
- (c) reinsurance accepted which is from within the insurance group ('RG').

6. ~~The information is to be further analysed and sub-totalled in the sequence specified below:~~

- (i) ~~accumulating with profits policies,~~
- (ii) ~~non-linked with profits policies,~~
- (iii) ~~non-linked non profits policies,~~
- (iv) ~~index linked contracts, and~~
- (v) ~~other linked contracts.~~

and where a *policy* falls within more than one of the above categories, it must be placed in the first appropriate category.

7. Within each sub-division required under 5 and 6, the appropriate types of insurance from the following list are to be shown separately:

- (i) whole life assurance,
- (ii) endowment assurance,
- (iii) pure endowment assurance,
- (iv) term assurance,
- (v) other assurance (to be specified),
- (vi) deferred annuity,
- (vii) annuity in payment,
- (viii) other annuity (to be specified),
- (ix) permanent health insurance,
- (x) capital redemption assurance,
- (xi) annuity certain,
- (xii) group pension,
- (xiii) group life,
- (xiv) group permanent health, and
- (xv) other group (to be specified).

3. Information must be further divided by product code as follows:

<b>Code</b>	<b>Product description</b>
100	Conventional whole life with-profits OB
105	Conventional whole life with-profits IB
110	Conventional whole life with-profits (ISA)
115	Conventional whole life with-profits (tax exempt)
120	Conventional endowment with-profits OB savings
125	Conventional endowment with-profits OB target cash
130	Conventional endowment with-profits IB
135	Conventional endowment with-profits (ISA)
140	Conventional endowment with-profits (tax exempt)
145	Income protection with-profits
150	Income protection with-profits (Holloway)
155	Conventional pensions endowment with-profits
160	Conventional pensions endowment with-profits - increments
165	Conventional deferred annuity with-profits
170	Conventional deferred annuity with-profits - increments
175	Group conventional deferred annuity with-profits
180	Group conventional deferred annuity with-profits - increments
185	Group conventional pensions endowment with-profits

<u>190</u>	<u>Group conventional pensions endowment with-profits - increments</u>
<u>195</u>	<u>Annuity with-profits (PLA)</u>
<u>200</u>	<u>Annuity with-profits (CPA)</u>
<u>205</u>	<u>Miscellaneous conventional with-profits</u>
<u>210</u>	<u>Additional reserves with-profits OB</u>
<u>215</u>	<u>Additional reserves with-profits IB</u>
<u>300</u>	<u>Regular premium non-profit WL/EA OB</u>
<u>305</u>	<u>Single premium non-profit WL/EA OB</u>
<u>310</u>	<u>Non-profit IB</u>
<u>315</u>	<u>Individual deposit administration non-profit</u>
<u>320</u>	<u>Group deposit administration non-profit</u>
<u>325</u>	<u>Level term assurance</u>
<u>330</u>	<u>Decreasing term assurance</u>
<u>335</u>	<u>Decreasing term assurance (rider benefits)</u>
<u>340</u>	<u>Accelerated critical illness (guaranteed premiums)</u>
<u>345</u>	<u>Accelerated critical illness (reviewable premiums)</u>
<u>350</u>	<u>Stand-alone critical illness (guaranteed premiums)</u>
<u>355</u>	<u>Stand-alone critical illness (reviewable premiums)</u>
<u>360</u>	<u>Income protection non-profit (guaranteed premiums)</u>
<u>365</u>	<u>Income protection non-profit (reviewable premiums)</u>
<u>370</u>	<u>Long-term care policy</u>
<u>375</u>	<u>Protection menu policy</u>
<u>380</u>	<u>Miscellaneous protection rider</u>
<u>385</u>	<u>Income protection claims in payment</u>
<u>390</u>	<u>Deferred annuity non-profit</u>
<u>395</u>	<u>Annuity non-profit (PLA)</u>
<u>400</u>	<u>Annuity non-profit (CPA)</u>
<u>405</u>	<u>Annuity non-profit (CPA impaired life)</u>
<u>410</u>	<u>Group Life</u>
<u>415</u>	<u>Collective Life</u>
<u>420</u>	<u>Group income protection</u>
<u>425</u>	<u>Group income protection claims in payment</u>
<u>430</u>	<u>Group critical illness</u>
<u>435</u>	<u>Miscellaneous non-profit</u>
<u>440</u>	<u>Additional reserves non-profit OB</u>
<u>445</u>	<u>Additional reserves non-profit IB</u>
<u>500</u>	<u>Life UWP single premium</u>
<u>505</u>	<u>Life UWP whole life regular premium</u>
<u>510</u>	<u>Life UWP endowment regular premium - savings</u>
<u>515</u>	<u>Life UWP endowment regular premium – target cash</u>
<u>520</u>	<u>Holloway member accounts</u>
<u>525</u>	<u>Individual pensions UWP</u>
<u>530</u>	<u>Individual pensions UWP - increments</u>
<u>535</u>	<u>Group money purchase pensions UWP</u>
<u>540</u>	<u>Group money purchase pensions UWP - increments</u>
<u>545</u>	<u>Individual deposit administration with-profits</u>
<u>550</u>	<u>Individual deposit administration with-profits - increments</u>
<u>555</u>	<u>Group deposit administration with-profits</u>
<u>560</u>	<u>Group deposit administration with-profits - increments</u>
<u>565</u>	<u>DWP National Insurance rebates UWP</u>
<u>570</u>	<u>Income drawdown UWP</u>
<u>575</u>	<u>Miscellaneous UWP</u>
<u>580</u>	<u>Term assurance rider</u>
<u>585</u>	<u>Accelerated critical illness rider</u>

590	<u>Stand-alone critical illness rider</u>
595	<u>Income protection rider</u>
600	<u>Income protection claims in payment</u>
605	<u>Miscellaneous protection rider</u>
610	<u>Additional reserves UWP</u>
700	<u>Life property linked single premium</u>
705	<u>Life property linked single premium quasi index linked</u>
710	<u>Life property linked whole life regular premium</u>
715	<u>Life property linked endowment regular premium - savings</u>
720	<u>Life property linked endowment regular premium – target cash</u>
725	<u>Individual pensions property linked</u>
730	<u>Individual pensions property linked - increments</u>
735	<u>Group money purchase pensions property linked</u>
740	<u>Group money purchase pensions property linked - increments</u>
745	<u>DWP National Insurance rebates property linked</u>
750	<u>Income drawdown property linked</u>
755	<u>Trustee investment plan</u>
760	<u>Small self administered schemes</u>
765	<u>Group managed fund</u>
770	<u>Term assurance rider</u>
775	<u>Accelerated critical illness rider</u>
780	<u>Stand-alone critical illness rider</u>
785	<u>Income protection rider</u>
790	<u>Miscellaneous protection rider</u>
795	<u>Miscellaneous property linked</u>
800	<u>Additional reserves property linked</u>
900	<u>Life index linked single premium</u>
905	<u>Index linked annuity</u>
910	<u>Miscellaneous index linked</u>
915	<u>Additional reserves index linked</u>

4. There may be more than one line for the same *product code* within a type and source of business to identify specific brands.
8. In the case of group contracts, the information must relate to new contracts and increments under existing contracts. The amount of the increment under an existing contract is the increase in the annual premium shown in Form 51, 52, 53 or 54 as appropriate, over the previous level shown in those Forms. Decreases in any year for an existing contract must be ignored.
5. For individual *policies*, columns 3 and 5 are the number of new plans, i.e. eliminating the effect of multiple policies being issued as part of the same premium, identifiable increments and rider benefits. A *policy holder* who takes out plans of the same product code during the year will contribute to column 3 or 5 for each such plan. For group scheme business, where the *insurer* has records of benefits at member level, columns 3 and 5 are the number of new members. For group scheme business, where the *insurer* has no records of benefits at member level, columns 3 and 5 must be zero. For business without such records, the number of new group schemes, divided by *product code*, must be set out in a supplementary note. Details of approximations made in determining columns 3 and 5 should be given in a note.
6. To avoid double counting, a new scheme member for a plan offering a choice of funds may be treated as contributing to column 3 or 5 for unitised with-profits business if all the premiums in the plan are invested in the *with-profits fund*. For *policies* with protection rider benefits, the entry in column 3 or 5 must be for the main benefit in the plan.
7. Details must be given in a note of approximations used to apportion between product codes.



#### Instructions for completion of Form 47A

1. ~~Separate forms must be prepared in respect of *insurance business* carried on in the United Kingdom and in Northern Ireland. The box marked UK/NI must be completed by the insertion “UK” for *insurance business* carried on in the United Kingdom, and “NI” for *insurance business* carried on in Northern Ireland.~~
2. ~~If any table other than those shown in columns 1 and 2 (e.g. a table providing for recurring payments) is of a significant amount, details must be given in column 3 with an appropriate heading. In the case of a table including a recurring payment, the sum assured on death before the date of the first recurring payment must be shown against ‘Sums assured’ and the amount of the recurring payment must be shown separately in brackets.~~

Form 48 (Long term insurance business: Expected income from admissible assets not held to match liabilities in respect of linked benefits) is replaced by the following form:

**Long-term insurance business: Non-linked assets**

**Form 48**

Name of insurer  
Total business / subfund  
Financial year ended  
Units

		<b>Unadjusted assets</b>	<b>Economic exposure</b>	<b>Expected income from assets in column 2</b>	<b>Yield before adjustment</b>	<b>Return on assets in financial year</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Assets backing non-profit liabilities and non-profit required minimum margin</b>						
Land and buildings	11					
Approved fixed interest securities	12					
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	19					
<b>Assets backing with-profits liabilities</b>						
Land and buildings	21					
Approved fixed interest securities	22					
Other fixed interest securities	23					
Variable interest securities	24					
UK listed equity shares	25					
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28					
<b>Total</b>	29					
<b>Overall return on with-profits assets</b>						
Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

## Instructions for completion of Form 48

1. ~~Where Form 13 is for the same fund or group of funds the entry at 48.11.1 must equal 13.11.1  
48.12.1 must equal 13.45.1 + the appropriate part of 13.84.1  
48.13.1 must equal 13.46.1 + the appropriate part of 13.84.1  
48.14.1 must equal 13.47.1 + the appropriate part of 13.84.1  
48.15.1 must equal 13.42.1 + 13.48.1 + the appropriate part of 13.84.1  
48.16.1 must equal 13.41.1 + 13.43.1  
48.17.1 must equal 13.50.1 + the appropriate part of 13.84.1  
48.29.1 must equal 13.87.1 + 13.89.1 + 13.58.1 + 13.59.1.~~
  2. The word “total” or the name of the fund must be shown against the heading “Category of assets”. The corresponding code box must contain “10” for the total assets and, in the case of separate funds, code numbers corresponding to those allocated on completion of Form 13.
  3. ~~The appropriate part of the entry at 13.84.1 to be included in lines 12 to 15 of this form must be that part which represents accrued interest on assets included in the relevant line of this form. The amounts so included in each line must be stated in a supplementary note.~~
1. Line 11.1 + 21.1 must equal 13.11.1.  
Line 12.1 + 22.1 must equal 13.45.1 + the relevant part of 13.84.1.  
Line 13.1 + 23.1 must equal 13.46.1 + the relevant part of 13.84.1.  
Line 14.1 + 24.1 must equal 13.42.1 + 13.47.1 + 13.48.1 + the relevant part of 13.84.1.  
Line 15.1 + 25.1 must equal the relevant part of 13.41.1.  
Line 16.1 + 26.1 must equal the relevant part of 13.41.1  
Line 17.1 + 27.1 must equal the relevant part of 13.41.1 + 13.21.1 + 13.23.1 + 13.25.1 + 13.27.1.
  2. Collective investment schemes (in line 13.43) and collective investment pools (in line 13.49) must be allocated in column 1 to line 18 or 28. In column 2 they must be allocated according to the underlying assets, but holdings of a type of asset within a collective investment scheme or pool of less than 5% of the assets for that collective investment scheme or pool may be grouped with the main type of underlying asset for that collective investment scheme or pool.
  3. Shares (lines 21, 23, 25 and 27 of Form 13) must be allocated in column 2 to lines 11, 15, 16, 21, 25 or 26 as appropriate if the undertaking is principally a holding company for equity shares or property.
  4. Where there is an obligation to purchase any of the underlying assets or they are ‘in the money’ at the relevant date, derivative contracts must be allocated in column 2 as if the underlying asset had been purchased on the relevant date.
  5. For a with-profits fund the assets backing the non-profit business must equal the amount of the non-profit mathematical reserves (lines 52, 55 and 57 of Form 50, plus the relevant part of the required minimum margin if this is backed by assets in that fund). The remaining assets must be treated as backing the with-profits business. For a fund without with-profits business all assets are to be included in lines 11-19.
  6. Where part of the with-profits business is with respect to business which falls within paragraph (1)(b) of the definition of with-profits fund and that part represents more than 10% of the total with-profits mathematical reserves, the insurer must set out in a supplementary note:
    - (a) where the insurer’s ‘asset share’ philosophy for the block of business assumes a variation of asset mix by duration of policy, the brand names of the bonus series in the block of business; and
    - (b) where the insurer’s ‘asset share’ philosophy for the block of business assumes an asset mix which is 5% more or less for any of the asset categories in lines 21 to 28 than the asset mix

derived from lines 21 to 29 of column 2, the brand names of the bonus series in, and the asset mix for, the block of business.

4. 7. The expected income in column 3 must be the amounts before deduction of tax which would be received in the next *financial year* on the assumption that the assets will be held throughout the year and that the factors which affect income will remain unchanged, but account must be taken of any changes in those factors known to have occurred by the *relevant date* (in particular changes of the type ~~(a), (b), (c) or (d) denoted in rule 5.11(5)~~ (1), (2), (3), (4), (5) and (6) in PRU 4.2.33R). The expected income shown in this Form must be that determined before any adjustments considered necessary because of rule ~~5.11(7)~~ PRU 4.2.41R and PRU 4.2.44R.
- ~~5.~~ 8. 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 must be included only to the same extent.
- ~~6.~~ 9. The treatment of the expected income from any asset where the payment of interest is in default and the amount of interest involved must be stated in a supplementary note.
- ~~7.~~ 10. ~~The entries at 48.12.3, 48.13.3, 48.14.3 and 48.15.3 must be equal to 49.19.2, 49.29.2, 49.19.5 and 49.29.5 respectively. The gross redemption yield in column 4 for fixed and variable interest securities must be calculated as in PRU 4.2.34R(2) before any allowance for tax required by PRU 4.2.29R, leaving out of account any adjustment considered necessary because of PRU 4.2.41R and PRU 4.2.46R. Where a number of assets with different gross redemption yields are held, the weighted average gross redemption yield must be calculated using as weights the value of the asset applicable for entry into column 1. Where securities may be redeemed over a period at the option of the guarantor or the issuer, they must 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 supplementary note must be provided explaining what assumption has been made. Subject to paragraphs 40 13 and 44 14, the yields to be inserted in column 3 for other categories of asset must be the running yields determined in accordance with rules 5.11(3) to (6A) PRU 4.2.33R to PRU 4.3.34R before any allowance for tax required by PRU 4.2.29R. The entry entries at 48.19.3 and 48.29.3 must be the weighted average of the yields in column 3 4, where the weight given to each asset is the value of that asset applicable for entry into column 4 2. Assets not producing income must be included in the calculation.~~
- ~~8.~~ 11. Where the yield in column ~~3 4~~ for a type of asset shown ~~in at line 47, 18 or 28 19 above (assumed to be zero for assets in line 19)~~ is significantly different from the weighted average of the yields for each asset of that type determined in accordance with ~~rule 5.11(6)~~ PRU 4.2.34R(2) before any allowance for tax required by PRU 4.2.29R, then the latter yield figure must be shown in a supplementary note. For this purpose, the weighted average of the yields means an average yield weighted by the value of each asset of that type as entered in column 1.
- ~~9.~~ 12. Where an entry at 13.87.1 has resulted from excess ~~exposure~~ exposure to a *counterparty* or ~~excess concentration with a number of~~ excess concentration with a number of *counterparties*, the aggregate value of the assets of the *insurer* giving rise to *exposure* to such *counterparties* must be stated in a supplementary note, together with the expected income from those assets.
- ~~10.~~ 13. To the extent that ~~rule 5.11(5A)~~ PRU 4.2.34R(2) has not been, or would otherwise not be required to be, applied to calculate the yield on equity *shares* or holdings in *collective investment schemes*, that rule may be ignored (in which case ~~rule 5.11(5)~~ PRU 4.2.33R and PRU 4.2.34R(1) will apply, before any allowance for tax required by PRU 4.2.29R) for an amount up to the higher of £5 million or 5% of the value of equity *shares* and holdings in *collective investment schemes* required to be reported in Form 48.
- ~~11.~~ 14. To the extent that a yield greater than zero on equity *shares* or holdings in *collective investment schemes* is not needed for the purpose of determining rates of interest under ~~rule 5.11~~ PRU 4.2.28R, rules 5.11(5) and (5A) PRU 4.2.33R and PRU 4.2.34R may be ignored for an amount of up to 1% of the value of equity *shares* and holdings in *collective investment schemes* required to be reported in Form 48, and the relevant yield will be taken as zero.

Form 49 (Long term insurance business: Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefits) is replaced by the following form:

**Long-term insurance business: Fixed and variable interest assets**

**Form 49**

Name of insurer  
Total business / subfund  
Financial year ended  
Units

		<b>Value of assets</b>	<b>Mean term</b>	<b>Yield before adjustment</b>	<b>Yield after adjustment</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Government bonds</b>	11				
<b>Other approved fixed interest securities</b>	21				
<b>Other fixed interest securities</b>					
AAA/Aaa	31				
AA/Aa	32				
A/A	33				
BBB/Baa	34				
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38				
<b>Total other fixed interest securities</b>	39				
<b>Approved variable interest securities</b>	41				
<b>Other variable interest securities</b>	51				
<b>Total (11+21+39+41+51)</b>	61				

## Instructions for completion of Form 49

- ~~1. The word “total” or the name of the fund must be shown against the heading “Category of assets”. The corresponding code box must contain “10” for the total assets and, in the case of separate funds, code numbers corresponding to those allocated on completion of Form 13.~~
1. Where non-linked *fixed interest securities* (which are not *approved securities*) for the *long-term insurance fund* (48.13.2 + 48.23.2) exceed £100m, fixed and variable interest assets must be reported in Form 49.
- ~~2. The gross redemption yield in columns 2 and 5 for each asset must be calculated as in rule 5.11(3), (4) and (6), leaving out of account any adjustment considered necessary because of rule 5.11(7). Where a number of assets with different gross redemption yields are held, the weighted average gross redemption yield must be calculated using as weights the value of the asset applicable for entry into columns 1 and 4 respectively.~~
- ~~3. The value of higher yielding *admissible assets* to be shown in columns 3 and 6 must be the value of *admissible assets* shown in Form 13 where the gross redemption yield on those assets exceeds the gross redemption yield shown in columns 2 and 5 respectively by at least 1.5%.~~
- ~~4. Where *securities* may be redeemed over a period at the option of the guarantor or the issuer, they must 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 supplementary note must be provided explaining what assumption has been made.~~
- ~~5. The entries at 49.19.1, 49.19.2, 49.19.4, 49.19.5, 49.29.1, 49.29.2, 49.29.4 and 49.29.5 must be equal to the values at 48.12.1, 48.12.3, 48.14.1, 48.14.3, 48.13.1, 48.13.3, 48.15.1 and 48.15.3 respectively.~~
- ~~6. The entries at 49.19.2, 49.19.5, 49.29.2 and 49.29.5 must be the weighted average of the yields in columns 2 and 5 as appropriate for lines 11 to 18 and 21 to 28 respectively, where the weight given to each yield is the value shown in columns 1 and 4 respectively.~~
2. The value of assets in column 1 should correspond to the value of assets in column 2 of Form 48.
3. The mean term in column 2 may be calculated by using the expected yearly cashflows discounted by the internal rate of return, or an alternative actuarial method. Undated stocks should be assumed to be redeemed after 40 years.
4. The gross redemption yield in column 3 must be calculated in accordance with instruction 10 to Form 48.
5. The gross redemption yield after adjustment in column 4 makes allowance for the risk adjustment required by PRU 4.2.41R and PRU 4.2.46R.
6. A note must be provided stating which rating agency has been used to provide the split by credit rating.

The following Form 50 (Long term insurance business: Summary of mathematical reserves) and the Instructions for completion of Form 50 are inserted after Form 49:

**Long-term insurance business: Summary of mathematical reserves**

**Form 50**

Name of insurer  
Total business / subfund  
Financial year ended  
Units

		UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
		1	2	3	4	5
<b>Gross</b>						
Form 51 - with-profits	11					
Form 51 - non-profit	12					
Form 52	13					
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	18					
<b>Reinsurance - external</b>						
Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	28					
<b>Reinsurance - intra-group</b>						
Form 51 - with-profits	31					
Form 51 - non-profit	32					
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
<b>Total</b>	38					
<b>Net of reinsurance</b>						
Form 51 - with-profits	41					
Form 51 - non-profit	42					
Form 52	43					
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	48					

## Instructions for completion of Form 50

1. Lines 11 to 18 are just for gross business.

Line 11 is the sum of column 9 of Form 51 for *product codes* 100-299.  
Line 12 is the sum of column 9 of Form 51 for *product codes* 300-499.  
Line 13 is the sum of column 9 of Form 52.  
Line 14 is the sum of column 7 of Form 53.  
Line 15 is the sum of column 8 of Form 53.  
Line 16 is the sum of column 7 of Form 54.  
Line 17 is the sum of column 8 of Form 54.

2. Lines 21 to 28 are just for reinsurance ceded external.

Line 21 is the sum of column 9 of Form 51 for *product codes* 100-299.  
Line 22 is the sum of column 9 of Form 51 for *product codes* 300-499.  
Line 23 is the sum of column 9 of Form 52.  
Line 24 is the sum of column 7 of Form 53.  
Line 25 is the sum of column 8 of Form 53.  
Line 26 is the sum of column 7 of Form 54.  
Line 27 is the sum of column 8 of Form 54.  
Line 28 is the sum of lines 21 to 27.

3. Lines 31 to 38 are just for reinsurance ceded intra-group.

Line 31 is the sum of column 9 of Form 51 for *product codes* 100-299.  
Line 32 is the sum of column 9 of Form 51 for *product codes* 300-499.  
Line 33 is the sum of column 9 of Form 52.  
Line 34 is the sum of column 7 of Form 53.  
Line 35 is the sum of column 8 of Form 53.  
Line 36 is the sum of column 7 of Form 54.  
Line 37 is the sum of column 8 of Form 54.  
Line 38 is the sum of lines 21 to 27.

4. Line 41 = line 11 – line 21 – line 31.  
Line 42 = line 12 – line 22 – line 32.  
Line 43 = line 13 – line 23 – line 33.  
Line 44 = line 14 – line 24 – line 34.  
Line 45 = line 15 – line 25 – line 35.  
Line 46 = line 16 – line 26 – line 36.  
Line 47 = line 17 – line 27 – line 37.  
Line 48 = line 18 – line 28 – line 38.



Form 51 (Long term insurance business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)), Form 52 (Long term insurance business: Valuation summary of accumulating with-profit policies), Form 53 (Long term insurance business: Valuation summary of property linked contracts) and Form 54 (Long term insurance business: Valuation summary of index linked contracts) are replaced by the following forms:

**Long-term insurance business: Valuation summary of non-linked contracts** (other than accumulating with-profits contracts)

**Form 51**

Name of insurer

Total business / subfund

Financial year ended

Units

UK Life / UK Pension / Overseas (State or Territory) / Gross / Reinsurance ceded external / Reinsurance ceded intra-group

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
					n/a	n/a	n/a	
					n/a	n/a	n/a	

**Long-term insurance business: Valuation summary of accumulating with-profits contracts****Form 52**

Name of insurer

Total business / subfund

Financial year ended

Units

UK Life / UK Pension / Overseas (State or Territory) / Gross / Reinsurance ceded external / Reinsurance ceded intra-group

<b>Product code number</b>	<b>Product description</b>	<b>Number of policyholders / scheme members</b>	<b>Amount of benefit</b>	<b>Amount of annual office premiums</b>	<b>Nominal value of units</b>	<b>Discounted value of units</b>	<b>Other liabilities</b>	<b>Amount of mathematical reserves</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>

**Long-term insurance business: Valuation summary of property linked contracts****Form 53**

Name of insurer

Total business / subfund

Financial year ended

Units

UK Life / UK Pension / Overseas (State or Territory) / Gross / Reinsurance ceded external / Reinsurance ceded intra-group

<b>Product code number</b>	<b>Product description</b>	<b>Number of policyholders / scheme members</b>	<b>Amount of benefit</b>	<b>Amount of annual office premiums</b>	<b>Nominal value of units</b>	<b>Discounted value of units</b>	<b>Other liabilities</b>	<b>Amount of mathematical reserves</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>

**Long-term insurance business: Valuation summary of index linked contracts****Form 54**

Name of insurer

Total business / subfund

Financial year ended

Units

UK Life / UK Pension / Overseas (State or Territory) / Gross / Reinsurance ceded external / Reinsurance ceded intra-group

<b>Product code number</b>	<b>Product description</b>	<b>Number of policyholders / scheme members</b>	<b>Amount of benefit</b>	<b>Amount of annual office premiums</b>	<b>Nominal value of units</b>	<b>Discounted value of units</b>	<b>Other liabilities</b>	<b>Amount of mathematical reserves</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>

## Instructions for completion of Forms 51, 52, 53 and 54

1. Separate valuation summaries must be completed in respect of each separate fund or part of a fund for which a surplus is determined. ~~The name of the fund or part of a fund is to be shown against the heading "Category of surplus". The corresponding code box must contain code numbers allocated sequentially beginning with code "11".~~
2. ~~Separate totals for column 5 on Form 51 and columns 5, 6, and 7 on Forms 52, 53 and 54 must be shown for sums assured, for annuities per annum and for other measures of benefit.~~
- 3- 2. Information must be shown separately for each type of insurance business and ~~totalled~~ for each of the following:
  - (i) ~~United Kingdom insurance business, and~~
  - (ii) ~~overseas insurance business~~
  - (a) UK life ('UKL');
  - (b) UK pension ('UKP'); and
  - (c) overseas ('OS').

Overseas business may, at the discretion of the insurer, be subdivided by state or territory
4. 3. ~~Subject to 10, the~~ The information must be shown ~~on separate pages and totalled~~ separately for each source of business for each type of *insurance business* in the sequence specified below:
  - (i) ~~life assurance and general annuity insurance business,~~
  - (ii) ~~pension insurance business,~~
  - (iii) ~~permanent health insurance business, and~~
  - (iv) ~~other insurance business~~
  - (a) gross insurance business ('GR');
  - (b) reinsurance ceded which is external to the insurance group ('RE'); and
  - (c) reinsurance ceded which is from within the insurance group ('RG').
4. Subject to 11, information must be further divided by product code. 'Product description' in column 2 is the narrative description beside the number of the product code in the table in paragraph 3 of the Instructions for completion of Form 47 but may, at the discretion of the insurer, include the brand name. Subdivision of pensions business into increments and DWP National Insurance rebates is not required in Forms 51-54.
5. ~~The box marked "Type of business" must be completed by the insertion of "L&GA", "Pens", "PHI" or "Other" respectively for each of the types (i), (ii), (iii) and (iv) specified above.~~
6. ~~The information is to be further analysed and sub-totalled for:~~
  - (i) ~~direct insurance business,~~
  - (ii) ~~reinsurance accepted, and~~
  - (iii) ~~reinsurance ceded,~~

and totals net of *reinsurance ceded* must also be shown, but where any information to be provided in accordance with (iii) duplicates any information required to be provided in accordance with 7, 8 and 9 in respect of (i) or (ii), then for the purpose of (iii), the total of the *reinsurance ceded* may be shown in respect of the duplicated information.

7. The information must be further analysed and sub-totalled within each basis of participation in profits in the sequence specified below:

- (i) *with profits policies*, and
- (ii) *non profit policies*.

8. Within each subdivision required under 4, 6 and 7 the appropriate types of insurance from the following list must be shown separately:

- (i) whole life assurance,
- (ii) endowment insurance,
- (iii) pure endowment insurance,
- (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) permanent health insurance,
- (xii) capital redemption assurance,
- (xiii) annuity certain,
- (xiv) group pension,
- (xv) group life,
- (xvi) group permanent health, and
- (xvii) other group (to be specified),

and particulars must also be shown of any supplementary provisions within *general insurance business class 1* or *2* which by virtue of the Authorisation Manual are to be taken to be included in *long term insurance business* of any *class* (Supplementary and sickness insurance – see Form 61).

9. A further sub-division into each separate category of contract is required as follows:

Forms 51 and 52 – each category of contract which is valued on a different valuation basis;

Form 53 – 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 must be considered to be one category and all internal linked funds must be considered to be one category.

Form 54—each category of contract which provides different guarantees or options and each category of index. Where the link is to a proportion of an index, each different proportion must be treated as a different category.

10. Any contract which consists of a combination of different types of insurance, as described in 8, must 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 must be stated in a supplementary note.
11. For *linked contracts* with both *property linked* and *index linked benefits*, each benefit must be shown on Form 53 or 54 as appropriate, and a note must be attached describing the manner in which details relating to the number of contracts and the amounts of benefits, premiums and other liabilities have been treated. Where the number of contracts is overstated in aggregate, the amount of the overstatement must be stated in a supplementary note.
12. For *linked contracts* which are also *accumulating with profits policies*, that part of the benefits which are with profits must be shown on Form 52 and the remainder of the benefits on Form 53 and/or 54 as appropriate, and a note must be attached describing the manner in which details relating to the number of contracts, and the amounts of benefits, premiums and other liabilities have been treated. Where the number of contracts is overstated in aggregate, the amount of the overstatement must be stated in a supplementary note.
13. Reserves calculated on an aggregate basis (including reserves for taxation on capital gains, for investment performance guarantees or other special reserves) or adjustments must be shown on separate lines in the *mathematical reserves* column and the particulars of such reserves or adjustments must be specified.
14. 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 Forms 51, 52, 53 or 54, must be shown on a separate valuation summary with appropriately modified column headings and the reason for the modification stated in a supplementary note.
- 14A. Where a net premium method of valuation is not used for contracts reported on Form 51 then, notwithstanding 14—
  - (a) columns 7 and 8 must be left blank;
  - (b) if the method used does not separately identify suitable values to be entered in columns 9 and 10, then the total amount of *mathematical reserves* must be entered in columns 9 and 12, and columns 10 and 11 must be left blank; and
  - (c) if the method used does separately identify suitable values to be entered in columns 9 and 10, then the entry in column 11 must be the amount entered in column 10 less the amount reserved for future expenses, so that the amount in column 12 equals the amount in column 9 less the amount in column 11.
15. Contracts of any description may be grouped together under any “miscellaneous” heading as long as the *mathematical reserves* for *insurance business* shown under all such headings in any one valuation summary do not exceed 5% of the total *mathematical reserves* for all *insurance business* shown in that valuation summary.
5. There may be more than one line for the same *product code* within a type and source of business to identify specific brands or *policies* with special features.
6. For individual *policies*, column 3 is the number of plans, i.e. eliminating the effect of multiple policies being issued as part of the same premium, identifiable increments and rider benefits. A *policy holder* who holds plans of the same product code taken out at different dates will contribute to column 3 for each such plan. For group scheme business, where the *insurer* has records of benefits at member level, column 3 is the number of members. For group scheme business, where the *insurer* has no records of benefits at member level, column 3 must be zero. For business without such records, the number of

group schemes, divided by the *product code*, must be set out in a supplementary note. Details of approximations made in estimating the number of policyholders from the number of contracts should be given in a note.

7. To avoid double counting, if all the premiums in the plan are invested in the *with-profits fund*, a member of a plan offering a choice of funds may be treated as contributing to column 5 for unitised with-profits business. For *policies* with protection rider benefits, the entry in column 5 must be for the main benefit in the plan.
8. Columns 6, 7 and 8 must be left blank on Form 51. The purpose of the unused columns in Form 51 is the standardisation of column headings in Forms 51-54.
9. For *linked long-term contracts* including life assurance, column 4 must be the current amount payable on death.
10. For *linked long-term contracts*, unitised *with-profits policies* and deposit administration contracts, column 6 must be the current value of the units or fund as presented to the *policy holder*. The amount in column 7 is the amount in column 6 allowing for any discounting in the valuation. The amount in column 9 is the sum of columns 7 and 8.
11. Notwithstanding 4, where neither the *mathematical reserves* nor the annual premiums with respect to products with the same product code exceed the lesser of £10m and 1% of the total *mathematical reserves*, the products be entered as the appropriate miscellaneous product code in column 1 and 2.
12. Where a product does not appear to fit into any other product code, the miscellaneous product code can be used. Details must be disclosed in a note.
13. Details must be given in a note of approximations used to apportion between product codes.



Form 55 (Long term insurance business: Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits) is replaced by the following form:

**Long-term insurance business: Unit prices for internal linked funds**

**Form 55**

Name of insurer  
Total business  
Financial year ended  
Units

Fund name	Type of fund	Net assets	Main series	Unit mgmt charge	Price at previous valuation date	Price at current valuation date	Change in price during year
1	2	3	4	5	6	7	8

## Instructions for completion of Form 55

1. ~~The box marked "category of surplus" must be completed in accordance with paragraph 1 of the instructions for completion of Forms 51, 52, 53 and 54.~~
2. ~~Separate forms must be prepared in respect of *internal linked funds* and directly held assets. The box marked IL/DH must be completed by the insertion of "IL" for *internal linked funds* and "DH" for directly held assets.~~
3. ~~A separate line must be used for each asset to which benefits are linked and each different type of unit of each *internal linked fund*. Columns 5, 6, 7, 8, 9 and 10 must be sub totalled for each fund link and totalled for all links.~~
4. ~~The aggregate of the total figures shown for column 8 (excluding any amount shown in column 8 pursuant to 8) and 9 in each Form prepared in respect of a separate fund or part of a fund must equal the appropriate figure shown as the total of column 12 of Form 53.~~
5. ~~For links to directly held assets, column 6 must not be used.~~
6. ~~For *internal linked funds*, the total of column 5 must equal the total of column 8 of the summarised Form 43, and the total of column 6 must equal the total of column 3 of the summarised Form 43.~~
7. ~~Where the liability shown in column 11 of Form 53 for a specific fund link is wholly *reinsured* with an *insurer*, so that the entries in columns 8 and 9 of this Form would otherwise be identical, the entries in respect of that fund link must be aggregated and shown on a separate line with the name of fund link to be shown in column 1 as "wholly *reinsured*".~~
8. ~~Any amounts included in this analysis in accordance with paragraph 20 of Appendix 9.4, being unit liabilities in respect of *property linked benefits* deposited with the *insurer* under a *deposit back arrangement*, must, for each *internal linked fund* or directly held asset, be shown in column 8 on a separate line with the name of unit type to be shown in column 2 as "amounts deposited back".~~
9. ~~Self-invested *internal linked funds* or adviser *internal linked funds* which meet the conditions in paragraph 5 of the Instructions for completion of Form 43 in Appendix 9.3 may (in either case) be aggregated.~~
1. Where the net assets held by the *insurer* for all the *internal linked funds* sharing the same underlying assets for pricing purposes exceed the lesser of £100m and 10% of the total *internal linked funds* (line 59 of Form 45), with the exception of share index tracker funds, any such *internal linked fund* which is in one of the categories listed in 2 must be reported in Form 55.
2. The fund types for column 2 are as follows:
  - 01 - life - stock market managed fund
  - 02 - life - balanced managed fund
  - 03 - life - defensive managed fund
  - 04 - life - other managed fund
  - 05 - life - UK equity
  - 06 - life - overseas equity
  - 07 - life - property
  - 11 - individual pension - stock market managed fund
  - 12 - individual pension - balanced managed fund
  - 13 - individual pension - defensive managed fund
  - 14 - individual pension - other managed fund
  - 15 - individual pension - UK equity
  - 16 - individual pension - overseas equity
  - 17 - individual pension - property
  - 21 - group managed fund - stock market managed fund
  - 22 - group managed fund - balanced managed fund
  - 23 - group managed fund - defensive managed fund

24 - group managed fund - other managed fund  
25 - group managed fund - UK equity  
26 - group managed fund - overseas equity  
27 - group managed fund - property.

3. The amount in column 3 is the total net assets attributable to the fund.

4. Column 4 is the name of the largest series (by unit liability).

5. Column 5 is the unit management charge for the largest series.

6. Columns 6 and 7 are the prices used to value the unit liabilities.

7. Column 8 is (column 7 – column 6) / column 6.

**Long-term insurance business: ~~Analysis of assets and liabilities matching investment liabilities in respect of index linked business~~**

**Form 56**

Name of insurer

~~Global business/UK branch business/EEA branch business~~

~~United Kingdom business/Overseas business~~ Total business / subfund

Financial year ended

Category of surplus

Units

<b>[Deleted]</b>			
<b>Type of assets and liabilities</b>	<b>Name of index link</b>	<b>Value of assets or liabilities</b>	<b>Gross derivative value</b>
	<b>1</b>	<b>2</b>	<b>3</b>
<b>Total assets</b>			<u>n/a</u>
Total liabilities			<u>n/a</u>
Net total assets			<u>n/a</u>

## Instructions for completion of Form 56

- ~~1.~~ The box marked "category of surplus" must be completed in accordance with paragraph 1 of the instructions for completion of Forms 51, 52, 53 and 54.
- ~~2.~~1. Assets and liabilities in column 2 must be listed individually except that where a group of assets of similar type is held which is intended to mirror the performance of an index, a description of the type of assets held may be given. Liabilities must be shown between round brackets and must be fully described.
- ~~3.~~2. A separate sub-total of assets and liabilities must be used for each index link and for each combination of assets and liabilities matching the *insurer's* liability under any *deposit back arrangement*. Links to different percentages of an index must be treated as different index links.
- ~~4.~~3. For each index link, the sub-totalled values in column 2 (excluding those held in respect of any *deposit back arrangement*) must match the appropriate entries in column 12 of Form 54 net of *reinsurance ceded*.
- ~~5.~~4. Assets and liabilities arising from *derivative contracts* (or contracts or assets which have the effect of a *derivative contract*) must be shown separately. Amounts must be shown net of *variation margin* in column 2 and gross of *variation margin* in column 3. Rights to recover assets transferred by way of *initial margin* must not be shown on Form 56.
- ~~6.~~5. Where there is a liability to repay *variation margin* and there are no arrangements for netting of amounts outstanding or the arrangements would not permit the accounting of such amounts on a net basis in accordance with generally accepted accounting practice, it must be so stated in a supplementary note.
- ~~7.~~6. Any provision for ~~adverse changes~~ "reasonably foreseeable adverse variations" must be determined in accordance with ~~rule 5.3~~ PRU 4.3.17R(3) and shown in a supplementary note.
7. The *insurer* must include a supplementary note of any circumstances which make the natural relationships break down (e.g., particular tax treatments).
8. Where unit liabilities are *reinsured* and deposited back with the *ceding insurer*, the amounts deposited back which are either unit liabilities in respect of *property linked benefits* or investment liabilities in respect of *index linked benefits* must be treated as though they are unit liabilities.

The 'matching rectangle' version of Form 57 is withdrawn, and the 'analysis of valuation interest rate' version becomes the only version.

**Long-term insurance business: ~~Valuation result and~~ distribution of surplus Form 58**

Name of insurer

~~Global business/UK branch business/EEA branch business~~

Total business / subfund

Financial year ended

Category of surplus

Units

[Deleted]			
		<b>Financial year</b>	<b>Previous year</b>
		<b>1</b>	<b>2</b>
<b>Valuation result</b>			
Fund carried forward	11		
Bonus payments <del>made to policyholders in</del> anticipation of a surplus	12		
<del>Transfers out of fund/parts of fund</del>			
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
<del>Net transfer out of funds/parts of funds (13+14)</del>	<del>15</del>		
Subtotal (11+12+15) (11 to 14)	<del>16</del> 15		
<del>Mathematical reserves for accumulating with profit policies</del>	<del>17</del>		
<del>Mathematical reserves for other non-linked contracts</del>	<del>18</del>		
<del>Mathematical reserves for property-linked contracts</del>	<del>19</del>		
<del>Mathematical reserves for index-linked contracts</del>	<del>20</del>		
Total (17 to 20) <u>Mathematical reserves</u>	21		
Surplus including contingency and other reserves held towards the solvency margin (deficiency) ( <del>16-21</del> 15-21)	29		
<b>Composition of surplus</b>			
<del>Balance of surplus brought forward unappropriated from last valuation</del>	<del>31</del>		
<del>Transfers into fund/part of fund</del>			
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
<del>Net transfer into fund/part of fund (32+33)</del>	<del>34</del>		
Surplus arising since the last valuation	<del>35</del> 34		
Total (31+34+35)	39		
<b>Distribution of surplus</b>			
<del>Bonus payments made to policyholders paid in anticipation of a surplus</del>	<del>41</del>		
<del>Allocated to policyholders by way of</del>			
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48		
<del>Balance of surplus (including contingency and other reserves held towards the solvency margin) Surplus carried forward unappropriated</del>	<del>49</del>		
Total (48+49)	59		

<b>Percentage of distributed surplus allocated to policyholders of fund/<del>part of fund</del></b>	<del>61</del>		
Corresponding percentage at three immediately previous valuations			
Latest (year of valuation <del>—</del> ) <u>Current year</u>	<del>62</del> <u>61</u>		
Earlier (year of valuation <del>—</del> ) <u>Current year 1</u>	<del>63</del> <u>62</u>		
Earliest (year of valuation <del>—</del> ) <u>Current year 2</u>	<del>64</del> <u>63</u>		
<u>Current year</u>	<u>64</u>		

## Instructions for completion of Form 58

1. Separate ~~statements~~ Forms must be completed in respect of each separate fund or part of a fund for which a surplus is determined. ~~The name of the fund or part of a fund must be shown against the heading "Category of surplus". The corresponding code box must contain code numbers allocated in accordance with paragraph 1 of the instructions for completion of Forms 51, 52, 53 and 54.~~
2. The entry at line 11 must be equal to the entry at line 59 in Form 40 for the relevant fund or part of fund.
- ~~2.~~ 3. Where interim, mortuary or terminal bonuses are determined in advance of a valuation and are paid in anticipation of surplus arising at the valuation, the amounts of such bonus actually paid in the period up to the *relevant date* must be entered ~~in~~ at lines 12 and 41. To the extent that it is the practice of the *insurer* to make special provision for the cost of such bonuses payable on future ~~claims~~ claims out of surplus arising at a valuation, such amounts must be treated as amounts allocated to *policy holders* at the valuation in question and included ~~in~~ at line 44, and the actual amounts paid must not appear at lines 12 and 41 at future valuations. An appropriate supplementary note must identify the various items where necessary.
- ~~3.~~ 4. Where *policies* have been transferred from one fund/part of fund to another, the associated transfer of reserves must not be included as a "transfer" in this Form. Where any other transfer has been made, only one positive figure must be inserted ~~in~~ at line 15 or line 34 (depending on the direction of the net transfer) leaving the other line blank. Corresponding entries must be made in either the block comprising lines 13 and 14 or the block comprising lines 32 and 33, as appropriate.
5. When the *insurer* records a transfer to the non-technical account or to another fund or part fund in a revenue account (Form 40) for a particular period, the amount of which has been derived from a valuation completed at the end of that period, that transfer must be shown at line 13 or 14 as appropriate, so that the true surplus appears in line 29.
6. Where the *insurer* decides to allocate to the *long-term insurance business* the whole or any part of the investment income or net capital gains arising from assets not attributable to its *long-term insurance business*, the allocation must be included in Form 58 as a transfer from the non-technical account. This transfer must be included at lines 13 or 32, depending on whether, for the *financial year in question*, there is an overall net transfer out of, or into, the fund (or part fund).
- ~~4.~~ 7. Where the entry ~~in~~ at line 14 or line 33 represents more than one transaction, each transfer must be separately identified in a supplementary note.
- ~~5.~~ 8. Line 61 is line 46 expressed as a percentage of line 48.
- ~~6.~~ 9. For each fund/part of fund, the entry at line ~~48~~ 21 must equal the total liabilities shown at line 48 in column ~~12~~ 4 of Form ~~51~~ 50; ~~and the entries at lines 17, 19 and 20 must equal the total liabilities shown in column 15 of Forms 52, 53 and 54 respectively.~~
- ~~7.~~ 10. The figure at lines 39 and 59 must equal the figure at line 29.
- ~~8.~~ 11. The figure at line 47 must equal the figure at line 15.



The following Forms 59A and 59B (Long-term insurance business: With-profits payouts) and the Instructions for completion of Forms 59A and 59B are inserted after Form 58:

**Long-term insurance business: With-profits payouts on maturity (normal retirement)**

**Form 59A**

Name of insurer

Original insurer

Date of maturity value / open market option

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10						
Endowment assurance	15						
Endowment assurance	20						
Endowment assurance	25						
Regular premium pension	5						
Regular premium pension	10						
Regular premium pension	15						
Regular premium pension	20						
Single premium pension	5						
Single premium pension	10						
Single premium pension	15						
Single premium pension	20						

**Long-term insurance business: With-profits payouts on surrender**

**Form 59B**

Name of insurer

Original insurer

Date of surrender value

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5						
Endowment assurance	10						
Endowment assurance	15						
Endowment assurance	20						
With-profits bond	2						
With-profits bond	3						
With-profits bond	5						
With-profits bond	10						
Single premium pension	2						
Single premium pension	3						
Single premium pension	5						
Single premium pension	10						

### Instructions for completion of Forms 59A and 59B

1. 'Original insurer' means the insurance undertaking which effected the *policy* (which may be same entity as the *insurer*).
2. Where the with-profits *mathematical reserves* relating to the business of the original insurer exceed £100m, Forms 59A and 59B must be completed for the original insurer.
3. The date of the maturity value, open market option or surrender value is the 1<sup>st</sup> of the month preceding the date that the submission of the *return* is due.
4. In Form 59A, column 3 is the maturity value for endowment assurances or the open market option for regular and single premium pension business.
5. Maturity values for endowment assurances must be based on a £50 monthly premium paid by a male non-smoker aged 30 next birthday at the date the *policy* commenced.
6. Open market options for regular premium pension must be based on a personal pension or s226 *policy* with a £200 monthly premium paid by a male aged 65 at retirement, for a selected retirement age of 65 at outset. The *insurer* must assume that the *policy* commenced on the relevant birthday date appropriate to the term of the *policy* with the final premium payable one month before retirement aged 65.
7. Open market options for single premium pensions must be based on a personal pension or s226 *policy* with a £10,000 single premium paid by a male aged 65 at retirement, for a selected retirement age of 65 at outset. The *insurer* must assume that the *policy* commenced on the relevant birthday date appropriate to the term of the *policy*.
8. Surrender values for endowment assurances must be based on a £50 monthly premium paid by a male non-smoker aged 30 next birthday with an original term of 25 years at the date the *policy* commenced.
9. Surrender values for with-profits bonds must be based on a £10,000 single premium paid by a male aged 50 at the date the *policy* commenced. The *insurer* must assume that no prior withdrawals have taken place.
10. Surrender values for single premium pensions must be based on a personal pension or s226 *policy* with a £10,000 single premium paid by a male aged 40 at the date the *policy* commenced.
11. Where the *insurer* did not effect *policies* in a particular category or the *policy* category was not open to new business (apart from increments) at the date the *policy* is assumed to have commenced, the entry in columns 3 to 8 must be 'n/a'.
12. Column 4 is the amount of terminal bonus included in column 3. If a market value (or similar) adjustment has been applied, then that amount must be shown as a negative amount in column 5.
13. Column 6 is CWP (conventional with-profits) or UWP (unitised with-profits).
14. Column 7 is Y if an MVA is permitted by the policy conditions at the date of maturity / date of surrender for that policy, otherwise N.
15. Where there is more than one version or premium rate for one of the data lines, the data shown should be for the version where there is the largest amount of business.

The original Appendix 9.4 is deleted, replaced by the following new Appendix 9.4, and now moved to follow Form 60.

## APPENDIX 9.4 (rule 9.31)

### ABSTRACT OF VALUATION REPORT

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The following information must be provided in the abstract of the report required under rule 9.31, the answers being numbered to accord with the numbers of the corresponding paragraphs of this Appendix. For the purposes of this Appendix, the “report period” means the period from the date to which the previous investigation under rule 9.4 related to the ‘valuation date’ (as defined in 1).

#### Introduction

1. (1) The date to which the actuarial investigation relates, namely, the **valuation date**.
- (2) The previous valuation.
- (3) The dates of any interim valuations (for the purposes of rule 9.4) carried out since the previous ‘valuation date’.

#### Product range

2. Any significant changes in products during the *financial year* (new products, new bonus series, products withdrawn, changes to options or guarantees under existing products), including product brand names and charging methods, but not the amounts of the charges where these form part of the product terms.

#### Discretionary charges and benefits

3. (1) For each product where the *insurer* has the option to apply a market value reduction (or equivalent), a statement of the period when this has been applied during the year and a summary of the policy years of entry to which it applied.
- (2) Any changes to premiums on reviewable protection policies, including for each product affected, the range of the changes (x% to y%), the amount of business affected by a change, and the amount of business where a change was permitted but did not occur at this review date.
- (3) For non-profit deposit administration benefits, the interest rate added during the year.
- (4) For service charges on linked *policies*, the percentage changes to service charges for in force *policies*.
- (5) For benefit charges on linked *policies*, any changes to benefit charges (mortality, morbidity, etc) on linked *policies*, including for each product affected the range of the changes (x% to y%), and the amount of business affected by the change.
- (6) Any changes to unit management charges or notional charges to accumulating with-profits *policies*, and the amount of business affected by the change.

- (7) For unit pricing of *internal linked funds*:
- (a) a description of the methods, and the types of unit to which each applies, used for:
    - (i) the creation and cancellation of units in *internal linked funds*, and
    - (ii) determining unit prices for the allocation of units to, and the de-allocation of units from, *policies*
 including information on:
    - (iii) the basis of the valuation of assets and how the basis is selected (for example, offer basis for net creations of units and bid basis for net cancellations), and
    - (iv) the timing of the asset valuation used in respect of such operations in relation to the time at which the operation is decided upon and effected;
  - (b) when at any one time different pricing bases apply to different *policies*, details of the circumstances which give rise to the difference; and
  - (c) where assets are units in *collective investment schemes* or similar assets, the price used and the relationship between the last opportunity to deal at that price and the time of the valuation.
- (8) For tax deductions from *internal linked funds*, the allowance and timing of withdrawal from the fund for tax on realised and unrealised gains and losses, including notional gains on unit trusts, specifying the tax rate used.
- (9) For tax provisions for *internal linked funds*, a description of the methods and the types of unit to which each applies, used to determine the provision for tax on realised and unrealised capital gains and the percentage of these gains deducted or provided for during the report period.
- (10) Wherever units of the type referred to in paragraph 5 of Part I of **Appendix 3.2** are held in an *internal linked fund*, or where *property linked benefits* are linked to such units, the rate of discount, commission or other allowance made to the *insurer* on the purchase, sale or holding of units and the extent to which the *policy holder* benefits from such discount, commission or other allowance.

#### **Valuation basis (other than for special reserves)**

4. (1) Where either the reserves or the annual premiums for a product exceed the lesser of £10m and 0.5% of the total *mathematical reserves*, the basis of the

valuation. Where a prospective method has not been used, the basis reported must be the basis used by the *insurer* to test the adequacy of the reserves.

- (2) The valuation methods used and the types of product to which each method applies, including a description of any non-standard method. See 5 to 8 for special reserves.
- (3) A table of the interest rates used, showing the product group, the rate used in from the end of the *financial year in question*, and, for products which represent a significant amount of business, the rate used from the end of the previous *financial year*. Where the valuation with respect to a product involves more than one interest rate (e.g. a rate in deferment and a rate in possession), both interest rates must be shown.
- (4) How the yield was adjusted to allow for risk for equity *shares*, property and other *fixed interest securities* to determine the risk adjusted yield in **Form 57**.
- (5) For products which represent a significant amount of business, a table of mortality bases used, showing the product group and the bases used at the end of the *financial year in question* and at the end of the previous *financial year*. If a mortality basis cannot be expressed as a flat percentage of a standard table or as a standard table subject to a flat age rating, then the mortality rates must be provided for ages 25, 35, 45 and 55. For all annuitant mortality bases, the expectation of life at age 65 and 75 for annuities in payment and the expectation of life at age 65 for current ages 45 and 55 for deferred annuities must be provided. Allowances made for future changes in mortality where not implicit in the basis, and details of any allowance made and the amount of any reserve held, for any possible detrimental impact of significant changes in the incidence of disease or developments in medical science on the mortality experience of the *insurer* assumed in the valuation of the *contracts of insurance* must be provided.
- (6) For products which represent a significant amount of business, a table of morbidity bases used, showing the product group and the bases used at the end of the *financial year in question* and at the end of the previous *financial year*. If a basis cannot be expressed as a simple modification to a standard table (e.g. flat percentage, age rating), the basis must be shown as ‘modified CMIR12’. If a basis cannot be represented as a standard table, then the morbidity rates and recovery rates must be provided for ages 25, 35, 45 and 55. Recovery rates must be provided at durations of 2 and 5 years. Allowances made for future changes in morbidity, and details of any allowance made and the amount of any reserve held, for any possible detrimental impact of significant changes in the incidence of disease or developments in medical science on the morbidity experience of the *insurer* assumed in the valuation of the *contracts of insurance* must be provided.

- (7) A table of expense bases used, showing the product group, the basis for the *financial year in question*, and the basis for the previous *financial year*. The table must show zillmer adjustments, expense assumptions for prospective methods where no further premiums are payable, expense assumptions for gross premium valuations of non-profit premium paying business and expense assumptions for non-unit liability calculations for linked business, identifying monetary amounts and the percentages of premiums. The table must show the unit growth rates for gross and net linked business before management charges and the inflation rates assumed for future expenses and future increases in *policy* charges. For non-unit liability calculations, the expense bases must be shown only for the main products (e.g. life regular premium, life single premium, pensions regular premium, and pensions single premium).
- (8) Future bonus rates for gross premium valuations of with-profits business and for valuations of unitised with-profits business.
- (9) Any other material basis assumptions not stated elsewhere (e.g. persistency).
- (10) How the valuation of liabilities allowed for *derivative contracts* (or contracts or assets having the effect of *derivative contracts*). Derivatives held in connection with options or guarantees must be included in 5. If the valuation does not correspond to the **Form 48** presentation, an explanation and reconciliation must be provided. A statement of how any out-of-the-money derivatives have been used to back liabilities must be provided.

### **Options and guarantees**

5. (1) Where the basic reserve exceeds the lesser of £10m and 1% of the total *mathematical reserves*, in accordance with the following subparagraphs, the methods and bases used for the calculation of the reserves for options and guarantees. The bases must include the assumptions for the take-up of the options and guarantees. For the purposes of 5, guarantees do not include those which have already been explicitly valued (e.g. the guaranteed sum assured on endowment contracts).
- (2) Guaranteed annuity rate options (where the ‘asset share’ or amount of benefit may be converted, at the option of the *policy holder* from cash to annuity at a guaranteed rate), including:
  - (a) a description of the method used; and
  - (b) a table showing:
    - (i) product name,
    - (ii) basic reserve,
    - (iii) spread of outstanding durations,

- (iv) guarantee reserve,
  - (v) guaranteed annuity rate (expressed as a percentage of the cash sum for a male age 65). If there are categories of business with guaranteed annuity rates differing by more than one percentage point, these categories must be shown separately,
  - (vi) whether *policy holders* may make increments to the *policy*
  - (vii) form of the annuity (e.g. yearly in arrears, single or joint life, and so on), and
  - (viii) retirement ages.
- (3) Guaranteed surrender and unit-linked maturity values, including:
- (a) a description of the method and basis used; and
  - (b) a table showing:
    - (i) product name,
    - (ii) basic reserve,
    - (iii) spread of outstanding durations,
    - (iv) guarantee reserve,
    - (v) guaranteed amount,
    - (vi) MVA free conditions,
    - (vii) in force premiums, and
    - (viii) whether *policy holders* may make increments to the *policy*.
- (4) Guaranteed insurability options, including:
- (a) a description of the method and basis used; and
  - (b) for conversion and renewal options where the total sum assured exceeds £1b, a table showing:
    - (i) product name,
    - (ii) in force premiums,
    - (iii) sum assured,



- (iv) description of the option, and
  - (v) guarantee reserve.
- (5) The nature of any other guarantees and options, including a description of the method and basis used, the amount of business (premium, sum assured or reserve), and the amount of additional reserve.

### **Expense reserves**

6. (1) The aggregate amount of expense loadings, grossed up for taxation where appropriate, expected to arise during the 12 months from the 'valuation date' from implicit and explicit reserves made at the 'valuation date' to meet expenses in fulfilling contracts in force at the 'valuation date', the amounts arising from each of explicit and implicit allowances, the amount of investment expenses and the amount of any other maintenance expenses.
- (2) A brief statement of the basis of calculating implicit allowances.
- (3) Where the amount of maintenance expenses is significantly different from the maintenance expenses shown at line 14 of **Form 43**, an explanation of this.
- (4) New business expense overrun reserve, including the method and basis of calculation (whether or not a reserve is required) in respect of the expenses of continuing to transact new business during the 12 months following the 'valuation date' and the amount of the reserve so calculated.
- (5) The maintenance expense overrun reserve or, where an explicit reserve has not been made for meeting the expenses likely to be incurred in future in fulfilling the existing contracts on the basis of specific assumptions in regard to the relevant factors, details of the basis used to test the adequacy of the reserves to satisfy PRU 7.3.51R, in either case stating whether redundancy costs or costs of terminating management agreements have been taken into account (with or without stating the amount of such costs).

### **Mismatching reserves**

7. (1) Subject to (2), a table of the sum of the *mathematical reserves* (other than liabilities for *property linked benefits*) and the liabilities in respect of the deposits received from *reinsurers* as shown in **Form 14**, analysed by reference to the currencies in which the liabilities are expressed to be payable, together with the value of the assets, analysed by reference to currency, which match the liabilities.
- (2) Liabilities totalling up to 2% of the total under (1) may be grouped together as 'other currencies', and the assets matching those liabilities are not required to be analysed by reference to currencies as long as the proportion of such liabilities which are matched by assets in the same currency is stated.

- (3) The amount of reserve for currency mismatching and a description of the method used to calculate the reserve.
- (4) A statement of the most onerous scenario under PRU 4.2.17R for assets invested in the UK and other assets that fall under PRU 4.2.17R for the purposes of calculating the resilience capital requirement in PRU 4.2.11R.
- (5) A statement of the most onerous scenario under PRU 4.2.24R for each significant territory in which assets are invested outside the UK for the purposes of calculating the resilience capital requirement in PRU 4.2.11R.
- (6) In respect of the scenarios described under (6) and (7) which produce the most onerous requirement (whether or not a resilience capital requirement is required),
  - (a) the amount of the *resilience capital requirement* if such a requirement arises,
  - (b) the change in the aggregate amount of the *long-term insurance liabilities*, and
  - (c) the aggregate amount by which the assets allocated to match such liabilities in the scenario have changed in value from the amount of those assets shown in Form 13.

### **Other special reserves**

- 8. For other special reserves which exceed the lesser of £10m and 0.1% of total *mathematical reserves*, the nature and amount of the reserves, including (where the reserve is greater than the lesser of £10m and 0.5% of total *mathematical reserves*) a description of the method and basis used to calculate each reserve.

### **Reinsurance**

- 9. (1) For *long-term insurance business ceded* on a facultative basis to a *reinsurer* who is not authorised to carry on *insurance business* in the United Kingdom at any time during the report period -
  - (a) the aggregate of premiums payable by the *insurer* to all such *reinsurers* (sub-divided according to financial years, if appropriate) and the aggregate amount deposited at the 'valuation date' under any *deposit back arrangement*; and
  - (b) the amount of any such premiums payable by the *insurer* to any *reinsurer* which is a *connected company* of the *insurer* and the aggregate amount deposited at the 'valuation date' under any *deposit back arrangement*.

(2) Where:

- (a) the treaty is a ‘financing arrangement’;
- (b) premiums under (f) exceed the lesser of £10m and 1% of *gross premiums*; or
- (c) reserves under (j) exceed the lesser of £10m and 1% of total *mathematical reserves*,

a table showing for each treaty, or group of similar treaties, of *reinsurance* where the *insurer* is the *cedent* and under which business is in force at the ‘valuation date’:

- (d) the name of the *reinsurer*;
- (e) an indication of the nature and extent of the cover given under the treaty;
- (f) the premiums payable by the *insurer* under the treaty during the report period;
- (g) the amount deposited at the ‘valuation date’ in respect of the treaty under any *deposit back arrangements*;
- (h) whether the treaty is closed to new business.
- (i) the amount of any undischarged obligation of the *insurer*;
- (j) the amount of *mathematical reserves* ceded under the treaty; and
- (k) the retention by the *insurer* (e.g., x% up to £Y) for new *policies* being *reinsured*,

with a note setting out:

- (l) whether the *reinsurer* is authorised to carry on *insurance business* in the United Kingdom;
- (m) whether the *reinsurer* is a *connected company* of the *insurer*;
- (n) a description of any material contingencies, such as credit risk or legal risk, to which the treaty is subject;
- (o) the extent to which provision has been made for any liability of the *insurer* to refund any amounts of *reinsurance* commission in the event of lapses or surrender of the contract; and
- (p) for each ‘financing arrangement’:

- (i) a brief description of the conditions for the discharge of any undischarged obligation of the *insurer*, and
  - (ii) a description of how, if at all, all such undischarged obligations have been taken into account in the valuation, including a description of the impact of the arrangement on the reported valuation result and any allowance made for contingencies, such as credit risk or legal risk, associated with the financing arrangement for the purposes of the *return*.
- (3) In this paragraph 9:
  - (a) **financing arrangement** means any contract entered into by the *insurer*, in respect of *contracts of insurance* of the *insurer*, which has the effect of increasing the long term capital resources in line 11 of **Form 2**, and which includes terms for -
    - (i) the transfer of assets to the *insurer*, the creation of a *debt* to the *insurer* or the transfer of liabilities to *policy holders* from the *insurer* (or any combination of these), and
    - (ii) either an obligation for the *insurer* to return (with or without interest) some or all of such assets, a provision for the diminution of such *debt* or a provision for the recapture of such liabilities, in each case, in specified circumstances; and
  - (b) paragraphs (1), (2) and (3)(a) of rule 9.28 (which relate to connected persons) have effect for the purposes of this paragraph as they have effect for the purposes of those rules.

#### **Reversionary (or annual) bonus**

10. (1) Where the *mathematical reserves* under (b) exceed the lesser of £10m and 1% of the total *mathematical reserves*, a table showing (by bonus series):
  - (a) name of bonus series;
  - (b) amount of *mathematical reserves*;
  - (c) reversionary bonus rate for the *financial year in question*;
  - (d) reversionary bonus rate for the preceding *financial year*; and
  - (e) total guaranteed bonus rate for the *financial year in question* (whether in the form of a guaranteed cash benefit, guaranteed investment return or reversionary bonus).
- (2) For unitised with-profits business, the table under (1) must show the percentage increase in unit price during the year or the equivalent in bonus units added.

- (3) For super compound bonuses, the table under (1) must show both rates (e.g., 2%/3% for 2% bonus on the sum assured and 3% bonus on the existing bonus).
- (4) For bonus series where bonus rates vary (e.g., by age or term), the table must show an approximate weighted average reversionary bonus and a note must be included stating the factors by which reversionary bonus rates vary. If they vary according to premium paying status, bonus rates must be shown in separate lines.

## APPENDIX 9.5 (rule 9.32)

### GENERAL INSURANCE BUSINESS ADDITIONAL INFORMATION ON BUSINESS CEDED

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For the purposes of rule 9.32, an *insurer* which carries on *general insurance business* must, in respect of the *financial year in question*, prepare a statement of the following information.

1. Subject to 2, for each *contract of insurance* entered into or modified during the *financial year in question* under which *general insurance business* has been *ceded* by the *insurer* on a non-facultative basis, the *insurer* must prepare a statement of -
    - (a) the type of business covered by reference to *risk groups or business categories, as appropriate*, and if only part of a *risk group or business category* is covered, a description of that part;
    - ...
  - ...
  4. (1) For each *business risk category or risk group*, or part thereof, in respect of which separate non-facultative *reinsurance* cover has been obtained, the *insurer* must prepare a statement of the 'maximum net probable loss' to the *insurer* from any one *contract of insurance* effected by it and from all such contracts taken together.  
  
...
  - (3) The disclosure required by (1) must be given in respect of all *business risk categories, risk groups*, or parts thereof, of the *insurance business* carried on by the *insurer* whether or not the *insurer* has purchased any *reinsurance* cover for that *business risk category, risk group*, or part thereof, and in (2) deciding upon the *reinsurance* cover includes deciding not to obtain any *reinsurance* cover.
  5. For each *accounting class combined category* (other than *category numbers 500 and 600*) and *risk category with category numbers 510 to 590 and 610 to 690* and separately for contracts of facultative and non-facultative *reinsurance ceded* in respect of the *financial year in question* (as shown on **Forms 21 and 24**), the amount of the *reinsurers'* share of *gross premiums* must be stated.
-