



Interim Prudential sourcebook: Insurers

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INTERIM PRUDENTIAL SOURCEBOOK

INSURERS

VOLUME TWO

APPENDICES TO THE RULES

APPENDIX 9.1 (rules 9.12 and 9.13)

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

Introduction

1. (1) All the forms included in the part of the *return* to which this Appendix relates (**Forms 1 to 3 and 10 to 19**) are to be laid out as shown in this Appendix, except that the instructions for the completion of the forms need not be reproduced.
- (2) All amounts, descriptions or other text required to be shown as supplementary notes to a form must not be presented on the face of that form, but must be presented as a separate statement. The title of that statement must identify the form to which it relates.

Completion of Forms

2. Where 'source' appears at the head of a column on a form, the information to be included in the preceding columns of a particular line is to be taken from those items in the *return* to which reference is made on that line in the column headed 'source'. No entries are to be made in the column headed 'source'.
3. (1) The *insurer's* registration number to be entered in every form must be the number provided to the *insurer* by the *FSA* (or a predecessor).
- (2) Boxes marked 'GL/UK/CM' must be completed by inserting -
 - (a) 'UK' in the case of a form which is -
 - (i) prepared by *EEA-deposit insurer* in respect of *long-term* or *general insurance business* carried on through a branch in the United Kingdom;
 - (ii) prepared by an *external insurer* (other than a *pure reinsurer*) in respect of *long-term* or *general insurance business* carried on through a branch in the United Kingdom; or
 - (iii) prepared by a *Swiss general insurer* in respect of *general insurance business* carried on through a branch in the United Kingdom;
 - (b) 'CM' in the case of a form which is prepared by a *UK-deposit insurer* in respect of *long-term* or *general insurance business* carried on through branches in the *EEA States* concerned; or
 - (c) 'GL' in any other case.

- (3) Boxes marked 'Period ended' must be completed so as to show, in numerals, the date of the last day of the *financial year in question*.
- (4) No entry should be made in a box which is shaded or is not labelled.
- (5) In the forms 'this financial year' means the *financial year in question*.

Currency

- 4. The value of any asset or the amount of any liability denominated in a currency other than sterling must be expressed in sterling as if conversion had taken place at the closing middle rate on the last day for which the appropriate rate is available in the financial year to which the asset or liability relates.
- 5.
 - (1) The amount of any income or expenditure must be expressed in sterling using such bases of conversion as are in accordance with generally accepted accounting practice.
 - (2) The bases of conversion adopted must be stated by way of supplementary note (code 1601) to **Form 16** or, if there is no **Form 16**, by way of supplementary note (code 4005) to **Form 40**.

Presentation of amounts

- 6. Negative amounts must be shown between round brackets.
- 7. Where in any form an amount which is shown as brought forward from a previous year differs from the corresponding amount shown as carried forward from that year and the difference is not due solely to the use of a different rate to express other currencies in sterling, an explanation of the reason for the difference must be given by way of a supplementary note to that form.
- 8.
 - (1) Except to the extent permitted by (2), amounts due to or from the *insurer* must be shown gross.
 - (2) In calculating amounts due to or from the *insurer* -
 - (a) amounts due from any person may, unless expressly provided otherwise, be included net of amounts which are due to that person, provided that such amounts may be set off against each other under generally accepted accounting practice; and
 - (b) amounts due to any person may, unless expressly provided otherwise, be included net of amounts which are due from that person, provided that such amounts may be set off against each other under generally accepted accounting practice.

- (3) If amounts shown include amounts calculated on the basis set out in (2), a supplementary note to **Form 13** (code 1304 for other than *long-term insurance business* and code 1310 for *long-term insurance business*) to that effect must be provided.
 - (4) This paragraph does not apply to **Form 17**.
9. All amounts are to be shown to the nearer £1,000.

Premiums

10. (1) Notwithstanding the requirements of the *insurance accounts rules*, amounts included in **Forms 11** and **12** in respect of -
- (a) *gross premiums receivable*;
 - (b) *claims* paid;
 - (c) *claims* outstanding; and
 - (d) *reinsurance* recoveries,
- must be determined in accordance with *PRU 7.2.66R* and *PRU 7.2.71R*.
- (2) Where any amount included in **Form 11** or **12** pursuant to (1) differs from the aggregate of the corresponding amounts included in **Forms 21, 22, 24** and **25**, there must be stated by way of supplementary note to **Form 11** or **12**, as the case may be -
- (a) the amount of such difference; and
 - (b) an explanation for such difference.

Counterparty exposure

11. (1) There must be given by way of a supplementary note to **Form 13** (code 1305 for other than *long-term insurance business* and code 1311 for *long-term insurance business*) -
- (a) the maximum extent to which, in accordance with any investment guidelines operated by the *insurer*, it was permitted to be exposed to any one *counterparty* during the *financial year in question*;
 - (b) the maximum extent to which, in accordance with such guidelines, it was permitted to be exposed to any one *counterparty*, other than by way of exposure to an *approved counterparty*, during the *financial year in question*; and

- (c) an account of any occasions during the *financial year* on which either of those amounts was exceeded.
- (2) In each case where the *exposure* of the *insurer* to a *counterparty* at the end of the *financial year in question* exceeds:
- (a) 5% of the sum of its *base capital resources requirement* and its *long-term insurance liabilities*, excluding *property linked liabilities* and net of *reinsurance ceded*, or
 - (b) the sum of 20,000 Euro and 5% of its liabilities arising from its *general insurance business*, net of *reinsurance ceded*,
- as appropriate -
- (a) the amount of that *exposure*; and
 - (b) the nature of the assets held which give rise to that *exposure*,
- must be stated by way of a supplementary note to **Form 13** (code 1306 for other than *long-term insurance business* and code 1312 for *long-term insurance business*).
- (3) There must be stated by way of supplementary note to **Form 13** (code 1307 for other than *long-term insurance business* and code 1313 for *long-term insurance business*) the aggregate value of any rights to which *PRU 3.2.35R* or *PRU 3.2.36R* and *PRU 3.2.37R* relates.

Provision for reasonably foreseeable adverse variations

12. There must be stated by way of supplementary note to **Form 14** (code 1401) or **15** (code 1501) the methods and assumptions used to determine the amount of any adjustment or provision made pursuant to *PRU 1.3.26R* to *PRU 1.3.29R* or *PRU 4.3.17R* to *PRU 4.3.18R* or, if there is no such adjustment or provision, the methods and assumptions used to determine that no adjustment or provision is required.

Liabilities

13. (1) Subject to (3), the following information must be given by way of a supplementary note to **Form 14** (code 1402) or **15** (code 1502) -
- (a) in the case of any ‘charge’ over assets of the *insurer*, the particulars specified in (2) or a statement that there are no such ‘charges’;
 - (b) the total potential liability, and the amount provided for that liability, to taxation on capital gains which might arise if the *insurer* disposed of its assets, or a statement that there is no such potential liability;

- (c) a brief description of any other liabilities being contingent liabilities not included in **Form 14** or **15** (other than liabilities arising under an inwards *contract of insurance* or *reinsurance*) including, where practicable, the amounts or estimated amounts of those liabilities, or a statement that there are no such contingent liabilities;
 - (d) a brief description of any guarantee, indemnity or other contractual commitment, effected by the *insurer* other than in the ordinary course of its *insurance business*, in respect of the existing or future liabilities of any *related companies*, including -
 - (i) the maximum liability of the *company* specified in such guarantee, indemnity or contractual commitment or, where no such amount is specified, a statement to that effect,
 - (ii) the amount of any provision made in respect of such liability, and
 - (iii) the amount reported under (c) in respect of such liability,
 or a statement that there are no such guarantees, indemnities or contractual commitments; and
 - (e) a description of any other uncertainty where such a description is, in the opinion of the directors, necessary for a proper understanding of the financial position of the *insurer*.
- (2) The particulars referred to in (1)(a) are -
- (a) the nature of the 'charge', including a brief description of the terms which are relevant to securing the prior claim of any person to assets which are subject to the 'charge';
 - (b) for each line in **Form 13**, the amount included in respect of assets which are subject to the 'charge'; and
 - (c) for each line in **Form 14** or **15**, the amount included in respect of liabilities which are secured by the 'charge'.
- (3) (1)(a) and (c) may be disregarded by an *insurer* in the case of -
- (a) one or more 'charges' over assets which are attributable to either the *long-term insurance assets* or the 'other assets' and whose aggregate value (as shown on **Form 13**) does not exceed 2.5% of the *long-term insurance assets* (other than *reinsurance recoveries* and assets required to match *property linked liabilities*) or the 'other assets' (other than *reinsurance recoveries*), as the case may be; or

- (b) one or more contingent liabilities whose aggregate value does not exceed 2.5% of the *long-term insurance assets* (other than *reinsurance recoveries* and assets required to match *property linked liabilities*) or the 'other assets' (other than *reinsurance recoveries*), as the case may be.
- (4) (1)(d) may be disregarded by an *insurer* in respect of one or more guarantees, indemnities or contractual commitments where the aggregate of the maximum liabilities specified in such guarantees, indemnities or contractual commitments does not exceed 2.5% of the *long-term insurance assets* (other than *reinsurance recoveries* and assets required to match *property linked liabilities*) or the 'other assets' (other than *reinsurance recoveries*), as the case may be.
- (5) For the purposes of this paragraph, **charge** includes any arrangement whatsoever, whether contractual or otherwise, which operates to secure the prior claim of any person over general creditors to any assets on a winding up of the *insurer*, and **other assets** means assets that are not *long-term insurance assets*.

Reconciliation

- 14. A reconciliation of the *capital resources* of the *insurer* to the net *admissible assets* of the *insurer* must be provided in accordance with instruction 66 to **Form 3**.

Derivative contracts

- 15. Any *derivative contract* entered into by an *insurer* -
 - (a) the value of which is taken into account for the purposes of calculating benefits payable to *policy holders* under *property linked contracts*; or
 - (b) in order to match its liabilities in respect of the payment of *index linked benefits*,
 must be excluded from **Form 17**.
- 16. Where, in respect of any *derivative contract* included in **Form 17**, assets have been transferred to or for the benefit of the *insurer* by way of *variation margin* there must be stated by way of supplementary note (code 1701) to **Form 17** -
 - (a) the aggregate amount of any liability to repay such assets or equivalent assets;
 - (b) for each line in **Form 13**, the amount included in respect of such assets; and

- (c) to what extent any amounts included in **Form 13** have taken account of any requirement to repay such assets or equivalent assets.

17. If -

- (a) the aggregate value of rights under contracts or in respect of assets, either of which have the effect of *derivative contracts*, exceeds 2.5% of the aggregate value of assets shown at line 89 of **Form 13**; or
- (b) the aggregate amount of liabilities under contracts or in respect of assets, either of which have the effect of *derivative contracts*, exceeds 2.5% of the aggregate of the amounts shown in lines 17 to 39 of **Form 14** or lines 31 to 51 of **Form 15**, as appropriate,

the corresponding value, if not zero, must be stated (by way of supplementary note (code 1702) to **Form 17**) for each line in **Form 13**, **14** or **15** and paragraph 16 applies to the *insurer* as if such contracts or assets had been included in **Form 17**.

FORMS

[**Forms 1-3** and **10-19** to follow]

Statement of solvency – general insurance business

Name of insurer

Global business/UK branch business/EEA branch

Financial year ended

Solo solvency calculation / Group solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	units
R1						£000
					As at end of this financial year 1	As at end of the previous year 2

Capital resources

Capital resources arising outside the long-term insurance fund	11		
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover general insurance business capital resources requirement (11-12)	13		

Guarantee fund

Guarantee fund requirement	21		
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22		

Minimum capital requirement (MCR)

General insurance capital requirement	31		
Base capital resources requirement	33		
Minimum capital requirement	34		
Excess (deficiency) of available capital resources to cover 50% of MCR	35		
Excess (deficiency) of available capital resources to cover 75% of MCR	36		

Capital resources requirement (CRR)

Capital resources requirement	41		
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42		

Contingent liabilities

Quantifiable contingent liabilities in respect of other than long-term insurance business as shown in a supplementary note to Form 15	51		
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Instructions for completion of Form 1

1. An *insurer* (other than a *Swiss general insurer* or an *EEA-deposit insurer*) carrying on *general insurance business* must complete Form 1 in respect of its entire *general insurance business*. An *external insurer* (other than a *pure reinsurer*) that is carrying on *general insurance business* must complete Form 1 in respect of business carried on through a *branch* in the *United Kingdom*. An *UK-deposit insurer* that is carrying on *general insurance business* must complete Form 1 in respect of business carried on through its *branches* in *EEA States* taken together. Form 1 is not required for *Swiss general insurers* or *EEA-deposit insurers*.
2. In the case of a *marine mutual* completing an abbreviated *return* under rule 9.36A, units must be the same as those used in Form M1.
3. For *financial years* commencing on or before 31 December 2004 lines 11 to 42, column 2 must be blank.
4. The entry at line 13 must be equal to the *total capital resources* after deductions at line 79, column 1 on Form 3. The entry at line 11 includes also *capital resources* allocated towards the *long-term insurance business* (and included in column 2 on Form 3) that arise outside the *long-term insurance fund*. For a *branch* the entry at line 11 is equal to Form 10 line 29.
5. For a *firm* carrying on *long-term insurance business* the entry at line 12 on Form 1 must equal the entry at line 12 on Form 2. For a *firm* not carrying on *long-term insurance business* the entry at line 12 on Form 1 is nil.

Instructions 6-12 only apply to firms that do not meet the conditions specified in PRU 2.1.9R(2), i.e. that are not required to perform an adjusted solo calculation under PRU 8.3.

6. The *guarantee fund* requirement at line 21 is calculated by reference to PRU 2.2.18R as the higher of line 33 and 1/3 of line 31.
7. The excess (deficiency) of available *capital resources* to cover the *guarantee fund* requirement at line 22 is equal to line 81 on Form 3 less line 21. For a *branch* this is equal to line 13 less line 21 less an adjustment because assets held to cover the *guarantee fund* must be held in the *United Kingdom* (or for *UK-deposit insurers*, in the *EEA States* where the *firm* carries on *insurance business*); the adjustment is the difference between form 13 line 89 for categories 4 and 3 (or 5), except for *branches* carrying on both *long-term insurance business* and *general insurance business* (composite *branches*); composite *branches* will need to state how the difference is allocated between *general insurance business* and *long-term insurance business* in a note to the Form.
8. The *general insurance capital requirement* at line 31 must be equal to the amount shown at line 43 of Form 12, which is calculated in accordance with PRU 2.1.30R.
9. The *base capital resources requirement* at line 33 must be taken from PRU 2.1.26R.
10. The excess (deficiency) of available *capital resources* to cover 50% of the *minimum capital requirement* at line 35 is equal to line 82, column 1 on Form 3 less 50% of line 34. For a *branch*, line 35 is to be left blank.
11. The excess (deficiency) of available *capital resources* to cover 75% of the *minimum capital requirement* at line 36 is equal to line 83, column 1 on Form 3 less 75% of line 34. For a *branch*, line 36 is to be left blank.
12. The *capital resources requirement* at line 41 is calculated in accordance with PRU 2.1.14R and is equal to line 34.

Instructions 13-20 only apply to firms that meet the conditions specified in PRU 2.1.9 R(2), i.e. that perform the adjusted solo solvency calculation in accordance with PRU 8.3.

13. The *guarantee fund* requirement at line 21 is calculated as the share of the *general insurance business* of $\frac{1}{3}X + (R - S - U - X)$ by reference to *PRU* 8.3.45R.
14. The excess (deficiency) of available *capital resources* to cover the *guarantee fund* requirement at line 22 is equal to line 81, column 1 on Form 3 less line 21.
15. Line 31 is not applicable.
16. Line 33 is not applicable.
17. The entry at line 34 must equal the amount represented by $(R-S)$ with reference to *PRU* 8.3.45R in relation to the *general insurance business*.
18. The excess (deficiency) of available *capital resources* to cover 50% of the *minimum capital requirement* at line 35 is equal to line 82, column 1 on Form 3 less 50% of line 34.
19. The excess (deficiency) of available *capital resources* to cover 75% of the *minimum capital requirement* at line 36 is equal to line 83, column 1 on Form 3 less 75% of line 34.
20. The entry at line 41 must equal the amount represented by R with reference to *PRU* 8.3.45R in relation to the *general insurance business*.

Instructions 21 onwards apply to all firms

21. The entry at line 51 must not include provision for any liability to tax on capital gains referred to in paragraph 13(1)(b) of Appendix 9.1. Amounts in *related undertakings* must not be included.
22. Where a direction under section 148 of the *Act* has been issued disapplying or modifying any of the provisions of the *Accounts and Statements Rules*, a note to **Form 1** explaining the effect of the order is usually required. The requirement for such a note would be specified in the direction itself. [Code 0101].

Statement of solvency – long-term insurance business

Name of insurer

Global business/UK branch business/EEA branch

Financial year ended

Solo solvency calculation / Group solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	units
R2						£000
					As at end of this financial year 1	As at end of the previous year 2

Capital resources

Capital resources arising within the long-term insurance fund	11		
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13		

Guarantee fund

Guarantee fund requirement	21		
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22		

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31		
Resilience capital requirement	32		
Base capital resources requirement	33		
Minimum capital requirement	34		
Excess (deficiency) of available capital resources to cover 50% of MCR	35		
Excess (deficiency) of available capital resources to cover 75% of MCR	36		

Enhanced capital requirement

With-profits insurance capital component	37		
Enhanced capital requirement	38		
Capital resources requirement (CRR)			
Capital resources requirement (greater of 34 and 38)	41		
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42		

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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Instructions for completion of Form 2

1. An *insurer* (other than an *EEA-deposit insurer*) carrying on *long-term insurance business* must complete Form 2 in respect of its entire *long-term insurance business*. An *external insurer* (other than a *pure reinsurer*) or *EEA-deposit insurer* that is carrying on *long-term insurance business* must complete Form 2 in respect of business carried on through a *branch* in the *United Kingdom*. An *UK-deposit insurer* that is carrying on *long-term insurance business* must complete Form 2 in respect of business carried on through its *branches* in *EEA States* taken together.
2. The entry at line 13 must be equal to the *total capital resources* after deductions at line 79, column 2 on Form 3. The entry at line 11 represents items relating to the *long-term insurance fund*, and that at line 12 represents amounts arising outside the *long-term insurance fund*. For a *branch*, line 11 is equal to the sum of any *implicit items* plus form 10 line 11 less the sum of lines 11, 12 and 49 in Form 14: when there are implicit items it would be appropriate for note 0202 (see instruction 26) to include an analysis of line 11; if the *insurer* is not carrying on *general insurance business* through the *branch*, line 12 will be equal to Form 10 line 29.
3. For *financial years* commencing on or before 31 December 2004 lines 11 to 42, column 2 must be blank.
4. For *EEA-deposit insurers*, lines 21 to 42 must be blank.

Instructions 5-14 only apply to firms that do not meet the conditions specified in PRU 2.1.9 R(2), i.e. that are not required to perform an adjusted solo calculation under PRU 8.3.

5. The *guarantee fund* requirement at line 21 is calculated by reference to *PRU 2.2.17R* as the higher of line 33 and 1/3 of line 31.
6. The excess (deficiency) of available *capital resources* to cover the *guarantee fund* requirement at line 22 is equal to line 81, column 2 on Form 3 less line 21. For a *branch* this is equal to line 13 less line 21 less an adjustment because assets held to cover the *guarantee fund* must be held in the *United Kingdom* (or for *UK-deposit insurers*, in the *EEA States* where the *firm* carries on *insurance business*) and cannot include *implicit items*; an analysis would be appropriate in a note (code 0203) to the Form.
7. The *long-term insurance capital requirement* at line 31 must be equal to the amount shown at line 51 of Form 60, which is calculated in accordance with *PRU 2.1.32R*.
8. The *resilience capital requirement* at line 32 is calculated in accordance with the *rules* in *PRU 4.2*.
9. The *base capital resources requirement* at line 33 must be taken from *PRU 2.1.26R*.
10. The excess (deficiency) of available *capital resources* to cover 50% of the *minimum capital requirement* at line 35 is equal to line 82, column 2 on Form 3 less 50% of line 34. For a *branch*, line 35 must be blank.
11. The excess (deficiency) of available *capital resources* to cover 75% of the *minimum capital requirement* at line 36 is equal to line 83, column 2 on Form 3 less 75% of line 34. For a *branch*, line 36 must be blank.
12. The *with-profits insurance capital component* at line 37 must be the total of the amounts shown at line 64 on Forms 18, calculated in accordance with the *rules* in *PRU 7.4*.
13. The *enhanced capital requirement* at line 38 is calculated as the sum of lines 31, 32 and 37.
14. The *capital resources requirement* at line 41 is calculated in accordance with *PRU 2.1.15R*.

Instructions 15-23 only apply to firms that meet the conditions specified in PRU 2.1.9R(2), i.e. that perform the adjusted solo solvency calculation in accordance with PRU 8.3.

15. The *guarantee fund* requirement at line 21 is calculated as the share of the *long-term insurance business* of $\frac{1}{3}X + (R - S - U - X)$ by reference to *PRU 8.3.45R*.

16. The excess (deficiency) of available *capital resources* to cover the *guarantee fund* requirement at line 22 is equal to line 81, column 2 on Form 3 less line 21.
17. Lines 31, 32 and 33 are not applicable.
18. The entry at line 34 must include the amount represented by (R-S) with reference to *PRU* 8.3.45R in relation to the *long-term insurance business*.
19. The excess (deficiency) of available *capital resources* to cover 50% of the *minimum capital requirement* at line 35 is equal to line 82, column 2 on Form 3 less 50% of line 34.
20. The excess (deficiency) of available *capital resources* to cover 75% of the *minimum capital requirement* at line 36 is equal to line 83, column 2 on Form 3 less 75% of line 34.
21. The *with-profits insurance capital component* at line 37 must be the total of 'S' with reference to *PRU* 8.3.45R.
22. The entry at line 38 must be the sum of lines 34 and 37.
23. The entry at line 41 must equal the amount represented by R with reference to *PRU* 8.3.45R in relation to the *long-term insurance business*.

Instructions 24 onwards apply to all firms

24. The entry at line 51 must not include provision for any liability to tax on capital gains referred to in paragraph 13(1)(b) of Appendix 9.1. Amounts in *related undertakings* must not be included.
25. Where a direction under section 148 of the *Act* has been issued disapplying or modifying any of the provisions of the *Accounts and Statements Rules*, a note to **Form 2** explaining the effect of the direction is usually required. The requirement for such a note would be specified in the direction itself. (Code 0201).
26. Where a direction under section 148 of the *Act* has been issued to an *insurer* permitting it to take into account *implicit items* on *long-term insurance business*, that direction may specify that a note is to be included in the *return* explaining such items. That note should be included as a note to **Form 2**. (Code 0202).

Components of capital resources

Name of insurer
Global business
Financial year ended

	Company registration number	GL/ UK/ CM	day	month	year	units
R3						£000
		General insurance business		Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year
		1	2	3	4	
Core tier one capital						
Permanent share capital	11					
Profit and loss account and other reserves	12					
Share premium account	13					
Positive valuation differences	14					
Fund for future appropriations	15					
Core tier one in related undertakings	16					
Core tier one capital (sum of 11 to 16)	19					
Tier one waivers						
Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21					
Implicit items	22					
Tier one waivers in related undertakings	23					
Total tier one waivers as restricted (21+22+23)	24					
Other tier one						
Perpetual non-cumulative preference shares as restricted	25					
Perpetual non-cumulative preference shares in related undertakings	26					
Innovative tier one capital as restricted	27					
Innovative tier one capital in related undertakings	28					
Total tier one capital before deductions (19+24+25+26+27+28)	31					
Investments in own shares	32					
Intangible assets	33					
Amounts deducted from technical provisions for discounting	34					
Other negative valuation differences	35					
Deductions in related undertakings	36					
Deductions from tier one (32 to 36)	37					
Total tier one capital after deductions (31-37)	39					

Components of capital resources

Name of insurer
Global business
Financial year ended

	Company registration number	GL/ UK/ CM	day	month	year	units
R3						£000
		General insurance business		Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year
		1		2	3	4

Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46				
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49				

Fixed term preference shares	51				
Other tier two instruments	52				
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59				

Total tier two capital before restrictions (49+59)	61				
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69				

Components of capital resources

Name of insurer
Global business
Financial year ended

	Company registration number	GL/ UK/ CM	day	month	year	units
R3						£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72				
Inadmissible assets other than intangibles and own shares	73				
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Total deductions of ineligible surplus	77				
Total capital resources after deductions (72-73-74-75-76-77)	79				

Available capital resources for PRU tests

Available capital resources for guarantee fund requirement	81				
Available capital resources for 50% MCR requirement	82				
Available capital resources for 75% MCR requirement	83				

Financial engineering adjustments

Implicit items	91				
Financial reinsurance – ceded	92				
Financial reinsurance – accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96				

Instructions for completion of Form 3

1. An *insurer* (other than a *Swiss general insurer* or an *EEA-deposit insurer*) must complete Form 3 in respect of its entire business. An *external insurer* (other than a *pure reinsurer*), an *EEA-deposit insurer* or a *Swiss general insurer* must complete Form 10 in respect of business carried on through a *branch* in the *United Kingdom*. An *UK-deposit insurer* must complete Form 10 in respect of business carried on through its *branches* in *EEA States* taken together.
2. An *insurer* that is carrying on *long-term insurance business*, other than a *mutual* not carrying on *general insurance business*, that includes within its *capital resources* any capital instruments issued by its *long-term insurance fund*, must include a supplementary note (code 0302) analysing those instruments.
3. In the case of a *marine mutual* completing an abbreviated *return* under rule 9.36A, units must be the same as those used in Form M1. If units are in US\$ or US\$000, then the bases of conversion used in determining the *base capital resources requirement* must be those used in Forms 11 and 12.
4. Amounts in columns 1 and 2 refer to capital supporting the *general insurance business* and the *long-term insurance business* respectively. For a *firm* carrying on only *general insurance business* column 2 should be blank. For a *firm* carrying on only *long-term insurance business* column 1 should be blank. All items relating to the *long-term insurance fund* should be included in column 2. For a *composite firm* capital items arising outside the *long-term insurance fund* should be allocated between *general insurance business* and *long-term insurance business* in a manner consistent with the *firm's* view of what business that capital supports. Where there is a material change in way capital items are allocated from one year to the next, the *firm* should explain the change in a supplementary note (code 0303).
5. Column 3 is the sum of columns 1 and 2.
6. For *financial years* commencing on or before 31 December 2004 column 4 must be blank.
7. Amounts at lines 11-13 should be taken from the *firm's* stand-alone accounts prepared under the Companies Act 1985 or (for *firms* not preparing accounts under the Companies Act) equivalent overseas legislation or the applicable UK legislation.
8. The entry at line 15.2 must be the FFA taken from the *firm's* stand-alone accounts prepared under the Companies Act 1985 or (for *firms* not preparing accounts under the Companies Act) equivalent overseas legislation or the applicable *United Kingdom* legislation. The entry at line 15 column 1 must be blank.
9. *PRU* 2.2.78R and 2.2.79G explain how to calculate the valuation differences for inclusion at line 14 or 35. Inadmissible assets or assets in excess of *market risk* and *counterparty* limits are not be included in the valuation differences. Net valuation differences are shown at line 14 if positive or in line 35 if negative. The *firm* must state in a supplementary note (code 0308) to this form -
 - (a) The amount of positive valuation differences included within line 14 or 35 in respect of assets where valuation in *PRU* exceeds the valuation that the *firm* uses for external financial reporting purposes, together with a brief explanation indicating the nature of those assets;
 - (b) The amount of positive valuation differences included within line 14 or 35 in respect of liabilities where valuation in *PRU* is lower than the valuation that the *firm* uses for external financial reporting purposes, together with a brief explanation indicating the nature of those liabilities;
 - (c) The amount of negative valuation included within line 14 or 35 in respect of assets where valuation in *PRU* is lower than the valuation that the *firm* uses for external financial reporting purposes (excluding inadmissible assets and assets in excess of *market risk* and *counterparty* limits), together with a brief explanation indicating the nature of those assets; and

- (d) The amount of negative valuation included within line 14 or 35 in respect of liabilities where valuation in *PRU* exceeds the valuation that the *firm* uses for external financial reporting purposes (excluding amounts deducted from *technical provisions* for discounting shown at line 34), together with a brief explanation indicating the nature of those liabilities.

The amount in (a) plus the amount in (b) less the amount in (c) less the amount in (d) should equal the amount shown at line 14 if positive or at line 35 if negative."

Instructions 10-32 only apply to firms that do not meet the conditions specified in *PRU* 2.1.9R(2), i.e. that are not required to perform an adjusted solo calculation under *PRU* 8.3.

10. The entries at line 16 must be nil.
11. Amounts may only appear in lines 21 and 22 if the *FSA* has issued a *waiver* permitting these amounts to count as *tier one capital* (tier one waivers). These amounts are restricted by *PRU* 2.2.20R (1), so that amounts in line 24 may not be greater than corresponding amounts in line 19. If the *FSA* has issued a *waiver* permitting amounts to count as *tier two capital* (tier two waivers), these are to be included at line 41, together with any amounts that arise from the restriction at *PRU* 2.2.20R(1).
12. The entries at line 23 must be nil.
13. The entries at lines 25 and 27 must be restricted to comply with *PRU* 2.2.20R, so that the total of the amounts in lines 24, 25 and 27 is not greater than the amount in line 19 and the amount in line 27 is not greater than 15/85 of the total of the amounts in lines 19, 24 and 25. Amounts in excess of the limits are entered at lines 42 and 43 respectively.
14. The entries at lines 26 and 28 must be nil.
15. The entries at line 32 for investments in own *shares* should, in the majority of cases, be zero.
16. For the purpose of completing line 33, the *firm* should refer to *PRU* 2.2.84R and *PRU* 2.2.85G.
17. The amounts in line 34 must be calculated in accordance with *PRU* 2.2.80R and *PRU* 2.2.81R.
18. The entries at line 36 must be nil.
19. The entries at lines 45 and 46 for perpetual cumulative *preference shares*, *subordinated debt* and *securities* must be the total, unrestricted, amounts that the *firm* can include in *upper tier two capital* in accordance with *PRU* 2.2.100G to *PRU* 2.2.106G.
20. The entries at line 47 must be nil.
21. The types of capital instrument that a *firm* can include within its *lower tier two capital* are set out at *PRU* 2.2.107G to *PRU* 2.2.115G. These should be split between fixed term *preference shares* and other *tier two instruments* and entered at lines 51 and 52 respectively.
22. The entries at line 53 must be nil.
23. The effect of the restrictions at *PRU* 2.2.23R applying to *tier two capital* are shown at lines 62 and 63. Line 62 relates to *tier two capital* as a whole and equals the excess (if any) of line 61 over line 39. Line 63 relates to *lower tier two capital* and equals the excess (if any) of line 59 over the sum of line 62 and 1/2 line 39.
24. Line 71 must show positive adjustments for *related undertakings* that are *regulated related undertakings* (other than *insurance undertakings*) required by *PRU* 2.2.90R.
25. Line 73 must show the deductions for assets that are not *admissible assets* required by *PRU* 2.2.86R.

26. Line 74 must show the assets in excess of *market risk* and *counterparty* limits in *PRU 3.2.22R*.
27. Line 75 must show negative adjustments for *related undertakings* that are *ancillary services undertakings* required by *PRU 2.2.89R*.
28. Line 76 must show negative adjustments for *related undertakings* that are *regulated related undertakings* (other than *insurance undertakings*) required by *PRU 2.2.90R*.
29. The entries at line 77 must be nil.
30. The entry at line 81 is determined as the amount of the *firm's capital resources* available to meet its *guarantee fund* requirement, having regard to *PRU 2.2.17R* and *PRU 2.2.18R*. Line 81 must be either:
 - line 79; or
 - (if less) the sum of lines 19, 25, 42, 45, 46 and 59 less the sum of lines 37, 62 and 63.
31. The entry at line 82 is determined as the amount of the *firm's capital resources* available to meet 50% of its *minimum capital requirement*, having regard to *PRU 2.2.16R*. Line 82 must be either:
 - line 79; or
 - (if less) the sum of lines 19, 24, 25 and 42 less line 37.
32. The entry at line 83 is determined as the amount of the *firm's capital resources* available to meet 75% of its *minimum capital requirement*, having regard to *PRU 2.2.24R*. Line 83 must be either:
 - line 79; or
 - (if less) the sum of lines 19, 24, 25, 41, 42, 45 and 46 less the sum of line 37 and any excess of line 62 over line 59.

Instructions 33-57 only apply to firms that meet the conditions specified in *PRU 2.1.9 R(2)*, i.e. that perform the adjusted solo solvency calculation in accordance with *PRU 8.3*.

33. *Tier one capital resources* must be calculated in accordance with the *rules* in *PRU 8.3.41R* in relation to restricted assets.
34. The entries at line 16 must equal the net contribution to core *tier one capital resources* of the *firm's related undertakings* in accordance with the calculation in *PRU 8.3.55R (2)*.
35. Amounts may only appear in lines 21-23 if the *FSA* has issued a *waiver* permitting these amounts to count as *tier one capital* (tier one waivers). These amounts are restricted by *PRU 8.3.45R (1)(c)*, so the amounts in line 24 may not be greater than corresponding amounts in line 19. If the *FSA* has issued a *waiver* permitting amounts to count as *tier two capital* (tier two waivers), these are to be included at line 41, together with any amounts that arise from the restriction at *PRU 8.3.45R (1)(c)*.
36. The entries at line 26 must include the net contribution to the *firm* of perpetual non-cumulative *preference shares* issued by the *firm's related undertakings* – ie. the capital represented by perpetual non-cumulative *preference shares* of each of the *firm's related undertakings* that is a *regulated related undertaking* after deduction of the sum of the book value of the investments by the *firm* in the perpetual non-cumulative *preference shares* of each of its *related undertakings* that is a *regulated related undertaking* and the book value of the investments by *related undertakings* of the *firm* in the perpetual non-cumulative *preference shares* of each of its *related undertakings* that is a *regulated related undertaking* – in a manner consistent with the calculation of *GCR* in *PRU 8.3*.
37. The entries at line 28 must equal the net contribution to innovative *tier one capital resources* of the *firm's related undertakings* in accordance with the calculation in *PRU 8.3.53R (2)*.
38. The entries at lines 25-28 must be restricted to comply with *PRU 8.3.45R*, so that the total of the amounts in lines 24-28 is not greater than the amount in line 19, and the total amount in lines 27 and 28 is not greater than 15/85 of the total of the amounts in lines 19, 24, 25, 26. Amounts in excess of the limits are entered at lines 42 and 43 as appropriate. If line 42 or 43 includes amounts excluded from line 26 or 28, these amounts

must be stated in a supplementary note (code 0304).

39. The entries at line 32 for investments in own *shares* should, in the majority of cases, be zero.
40. For the purpose of completing line 33, the *firm* should refer to *PRU 2.2.84R* and *2.2.85G*.
41. The amounts in line 34 must be calculated in accordance with *PRU 2.2.80R* and *2.2.81R*.
42. The entries at line 36 must equal the total of any of the deductions of the type specified in lines 32-35 that apply to the *firm's related undertakings*.
43. The entries at lines 45 and 46 for perpetual cumulative *preference shares*, subordinated *debt* and *securities* must be the total, unrestricted, amounts that the *firm* can include in *upper tier two capital* in accordance with *PRU 2.2.100G* to *PRU 2.2.106G*.
44. The entries at line 47 must equal the net contribution to *upper tier two capital resources* of the *firm's related undertakings* – ie. the sum of the *firm's* share of the *upper tier two capital resources* of each *related undertaking* less the book value of the *firm's* investment in the *upper tier two capital* of its *related undertakings* – in a manner consistent with the calculation of *GCR* in *PRU 8.3*.
45. The types of capital instrument that a *firm* can include within its *lower tier two capital* are set out at *PRU 2.2.107G* to *PRU 2.2.115G*. These should be split between fixed term *preference shares* and other *tier two instruments* and entered at lines 51 and 52 respectively.
46. The entries at line 53 must equal the net contribution to *lower tier two capital resources* of the *insurer's related undertakings* in accordance with the calculation in *PRU 8.3.57R(2)*.
47. The effect of the restrictions at *PRU 8.3.45R* applying to *tier two capital* are shown at lines 62 and 63. Line 62 relates to *tier two capital* as a whole and equals the excess (if any) of line 61 over line 39. Line 63 relates to *lower tier two capital* and equals the excess (if any) of line 59 over the sum of line 62 and 1/2 line 39.
48. The entries at line 71 must be nil.
49. Line 73 must show the deductions for inadmissible assets required by *PRU 8.3.59R*.
50. Line 74 must show the assets in excess of *market risk* and *counterparty* limits in *PRU 8.3.70R*.
51. Line 75 must show negative adjustments for *related undertakings* that are *ancillary services undertakings* required by *PRU 8.3.62R*.
52. The entries at line 76 must be nil.
53. The entries in line 77 must show the total amount calculated in respect of ineligible surplus in accordance with *PRU 8.3.65R*.
54. The entry at line 81 is determined as the amount of the *firm's capital resources* available to meet its *guarantee fund* requirement, having regard to *PRU 8.3.45R(2)*. Line 81 must be either:
 - line 79; or
 - (if less) the sum of lines 19, 25, 26, 42, 45, 46, 47 and 59 less the sum of lines 37, 62 and 63.
55. The entry at line 82 is determined as the amount of the *firm's capital resources* available to meet 50% of its *minimum capital requirement*, having regard to *PRU 8.3.45R(1)(a)*. Line 82 must be either:
 - line 79; or
 - (if less) sum of lines 19, 24, 25, 26 and 42 less line 37.
56. The entry at line 83 is determined as the amount of the *firm's capital resources* available to meet 75% of its *minimum capital requirement*, having regard to *PRU 8.3.45R(1)(b)*. Line 83 must be either:

- line 79; or
- (if less) the sum of lines 19, 24, 25, 26, 41, 42, 45, 46 and 47 less line 37 and any excess of line 62 over line 59.

57. Amounts relating to financial engineering shown in lines 91-96 must not include amounts in *related undertakings*.

Instructions 58 onwards apply to all firms

58. Any arrangement relating to *long-term insurance business* which is not entered in lines 91 to 95, but which falls within the definition of financing arrangement in paragraph 12(4) of Appendix 9.4 (Abstract of valuation report) must be disclosed in a supplementary note (code 0305) to this Form.

59. The entry at line 91 (implicit items) must equal the sum of the entries at lines 22 and 41. Lines 92 to 95 do not apply to *general insurance business* and line 91 is only likely to apply to *long-term insurance business*.

60. The entry at line 92 must equal the gross amount of any contingent liability to repay a *debt* to or recapture a liability from a *reinsurer* not already recognised in Form 14. The *firm* must provide in a supplementary note (code 0306) to this Form the following information on each material *reinsurance* arrangement:

- the amount of any *reinsurance* offset (i.e. the amount of the difference between the *mathematical reserves* at the end of the *financial year in question* were that *reinsurance* to be ignored and the amount of the *mathematical reserves* after deducting the *mathematical reserves* reinsured);
- the amount of the contingent liability for payment to the *reinsurer*; and
- the commutation value at the end of the *financial year in question* of the *reinsurance* arrangement.

61. The entry at line 93 must equal the amount of any contingent asset receivable from a *cedant* not already recognised in Form 13 or 14. The *firm* must provide in a supplementary note (code 0307) to this Form the following information on each material outgoing *reinsurance* arrangement:

- the amount of any *reinsurance* liability (i.e. the amount of the difference between the *mathematical reserves* at the end of the *financial year in question* including the *mathematical reserves* reinsured 'in', and the amount of the *mathematical reserves* were that *reinsurance* to be ignored);
- the amount of the contingent asset for payments from *cedants*; and
- the commutation value at the end of the *financial year in question* of the *reinsurance* arrangement.

62. The amount to be shown for contingent loans at line 94 must be the amount, including any interest accrued, still to be repaid from future profits under the arrangements, as at the end of the *financial year in question*, not already recognised in Form 14.

63. Line 95 must include the potential charge against future profits in respect of any other types of financial engineering not included in lines 91 to 94 where the gross amount of any contingent liability is not already recognised in Form 14.

64. The *firm* must provide an explanation of the nature of the adjustments in line 94 and 95 in a supplementary note (code 0308) to this Form, together with the amount of the adjustment for each material arrangement. As part of this note, the commutation value of each of the items included at lines 94 and 95, to the extent that value is not already a component of line 79, must be disclosed.

65. Details of any promises to *long-term insurance business policyholders* conditional upon future profits (other than bonuses not yet declared), or other charges to future profits not already disclosed, must be provided in a supplementary note (code 0309) to this Form.

66. A reconciliation of net *admissible assets* to *total capital resources* after deductions (line 79) must be provided as a supplementary note (code 0301). The reconciliation must contain the following items:

- (i) Net *admissible assets* [Form 13 line 89 (other than long-term business) plus Form 13 line 89 (long-term) less the sum of lines 11, 12 and 49 in Form 14 less Form 15 line 69]

- (ii) Any components of *capital resources* that are treated as a liability in Form 14 or 15 (each to be specified and identified to the entries on Forms 3 and 14/15). (In particular this would include any subordinated loan capital.) [These items would be added to net *admissible assets* in the reconciliation]
- (iii) Any components of *capital resources*, not included in (ii), that arise as a result of a *waiver* and are not represented by *admissible assets* included in Form 13 (each to be specified and identified to the entries on Form 3). (In particular this would include any *implicit items* included as a result of a *waiver* within *capital resources*.) [These items would be added to net *admissible assets* in the reconciliation]
- (iv) Any other items, each such item to be separately specified. An explanation of each such item is to be provided together with, if applicable, the reference to where the item is included elsewhere in the *return* or in the *firm's* stand-alone accounts prepared under the Companies Act 1985 or (for *firms* not preparing accounts under the Companies Act) equivalent overseas legislation or the applicable *United Kingdom* legislation). [These items would be added to or deducted from net *admissible assets* in the reconciliation as appropriate.]

The net *admissible assets* in item (i) plus or minus the additions and deductions in items (ii) to (iv), should equal line 79 (Total capital resources after deductions).

Statement of net assets

Name of insurer

Global business/UK branch business/EEA branch

Financial year ended

		Company registratio number	GL/UK/C --	Period day month		Units
		R10				£000
		As at the end of this financial year 1	As at the end of the previous year 2		Source For m Lin e Col um n	
Long term insurance business - admissible	11				13 . 89 . 1	
Long term insurance business - liabilities and	12				14 . 59 . 1	

Other than Long term insurance business - admissible assets	21			13 . 89 . 1
Other than Long term insurance business -	22			15 . 69 . 1
Net admissible assets (21-22)	23			
Other assets allowed to be taken into account in covering the required minimum margin	Unpaid amounts (including share premium) on partly paid shares	24		
	Supplementary contributions for a mutual carrying on general insurance business	25		
Liabilities allowed to be left out of account in covering the required minimum margin	Subordinated loan capital	26		
	Cumulative preference share capital	27		
Available assets (23 to 27)	29			

Represented by:

Paid up share capital (other than preference share capital)	51			
Amounts included in lines 24 to 27	52			
Amounts representing the balance of net	56			
Total (51 to 56) and equal to line 29	59			

Movement of balance of net assets for purposes - as per line 56

Balance brought forward at the beginning of financial year	61			10 . 56 . 2
Retained profit/(loss) for the financial	62			16 . 59 . 1
Movement in asset valuation	63			See instruction 2
Decrease/(increase) in the provision for changes	64			See instruction 3
Other movements (particulars to be specified way of supplementary	65			
Balance carried forward at the end of the financial (61 to 65)	69			

Instructions for completion of Form 10

1. An *external insurer* (other than a *pure reinsurer*), an *EEA-deposit insurer* or a *Swiss general insurer* must complete Form 10 in respect of business carried on through a *branch* in the *United Kingdom*. An *UK-deposit insurer* must complete Form 10 in respect of business carried on through its *branches* in *EEA States* taken together.
2. Lines 24-27, 51 and 52 should be blank.
3. Line 63 must be equal to lines 13.92.2 to 13.95.2 less lines 13.92.1 to lines 13.95.1 of the Form for the total other than *long-term insurance business assets* category.
4. Line 64 must be Form 15.61.2 less 15.61.1.
5. Line 65 should include transfers from or to head office (note 1002).

Calculation of general insurance capital requirement– premiums amount and brought forward amount

Name of insurer

Global business / UK branch business / EEA branch business

Financial year ended

General/long-term insurance business

		Company registration number	GL/ UK/ CM	day	month	year	units
R11							£000
				This financial year 1		Previous year 2	
Gross premiums receivable		11					
Premiums taxes and levies (included in line 11)		12					
Premiums receivable net of taxes and levies (11-12)		13					
Premiums for classes 11, 12 or 13 (included in line 13)		14					
Premiums for "actuarial health insurance" (included in line 13)		15					
Sub-total A ($13 + \frac{1}{2} 14 - \frac{2}{3} 15$)		16					
Gross premiums earned		21					
Premium taxes and levies (included in line 21)		22					
Premiums earned net of taxes and levies (21-22)		23					
Premiums for classes 11, 12 or 13 (included in line 23)		24					
Premiums for "actuarial health insurance" (included in line 23)		25					
Sub-total H ($23 + \frac{1}{2} 24 - \frac{2}{3} 25$)		26					
Sub-total I (higher of sub-total A and sub-total H)		30					
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure		31					
Division of gross adjusted premiums amount: sub-total I (or adjusted sub-total I if appropriate)	x 0.18	32					
	Excess (if any) over 50M EURO x 0.02	33					
Sub-total J (32-33)		34					

Calculation of general insurance capital requirement– premiums amount and brought forward amount

Name of insurer

Global business / UK branch business / EEA branch business

Financial year ended

General/long-term insurance business

		Company registration number	GL/ UK/ CM	day	month	year	units
		R11					£000
				This financial year 1		Previous year 2	
Sub-total J		40					
Claims paid in period of 3 financial years		41					
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42					
	For insurance business accounted for on an accident year basis	43					
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis	44					
	For insurance business accounted for on an accident year basis	45					
Sub-total C (41+42+43-44-45)		46					
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47					
Sub-total D (46-47)		48					
Reinsurance ratio (Sub-total D / sub-total C or, if more, 50% or, if less, 100%)		49					
Premiums amount Sub-total J x reinsurance ratio		50					
Provision for claims outstanding (before discounting and net of reinsurance)		51					
Brought forward amount (12.43.2 x 51.1 / 51.2 or, if less, 12.43.2)		52					
Greater of lines 50 and 52		53					

Calculation of general insurance capital requirement– claims amount and result

Name of insurer

Global business / UK branch business / EEA branch business

Financial year ended

General/long-term insurance business

		Company registration number	GL/ UK/ CM	day	month	year	units
R12							£000
						This financial year 1	Previous year 2
Reference period (No. of months) See <i>PRU 7.2.63R</i>				11			
Claims paid in reference period				21			
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis			22			
	For insurance business accounted for on an accident year basis			23			
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis			24			
	For insurance business accounted for on an accident year basis			25			
Claims incurred in reference period (21+22+23-24-25)				26			
Claims incurred for classes 11, 12 or 13 (included in 26)				27			
Claims incurred for "actuarial health insurance" (included in 26)				28			
Sub-total E (26 + $\frac{1}{2}$ 27 - $\frac{2}{3}$ 28)				29			
Sub-total F – Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)				31			
Division of sub-total F (gross adjusted claims amount)	x 0.26			32			
	Excess (if any) over 35M EURO x 0.03			33			
Sub-total G (32 - 33)				39			
Claims amount Sub-total G x reinsurance ratio (11.49)				41			
Higher of premiums amount and brought forward amount (11.53)				42			
General insurance capital requirement (higher of lines 41 and 42)				43			

Instructions for completion of Forms 11 and 12

Long-term insurance business

1. For a *composite firm*, Forms 11 and 12 must be completed separately for the total *general insurance business* and for the total *long-term insurance business* which is *class IV* or supplementary accident and sickness insurance business. For other *firms*, the forms must be completed for the total *general insurance business* or for the total *long-term insurance business* which is *class IV* or supplementary accident and sickness insurance business, as appropriate.
2. Notwithstanding instruction 1, if the gross annual office premiums for *class IV* business and supplementary accident and sickness insurance in force on the 'valuation date' do not exceed 1% of the gross annual office premiums in force on that date for all *long-term insurance business*, Forms 11 and 12 need not be completed for *long-term insurance business* as long as it can be stated that the entry in line 21 of Form 60 exceeds the amount that would be obtained if Forms 11 and 12 were to be completed for *long-term insurance business*. In this circumstance, the method of estimating the entry in line 21 of Form 60, together with a statement of the gross annual office premiums in force at the 'valuation date' in respect of *Class IV* business and supplementary accident and sickness insurance, must be given.
3. When completing Forms 11 and 12 for *long-term insurance business* the accounting conventions for *general insurance business* should be followed, but reasonable approximations may be used if they are unlikely to result in an underestimate of the *insurance health risk capital component*.

Marine mutuals

4. In the case of a *marine mutual* completing an abbreviated *return* under rule 9.36A, units must be the same as those used in Form M1. If units are in US\$ or US\$000, then references to the sterling equivalent of Euro in line 33 of Form 11 and lines 33 of Form 12 must be taken to be references to the US\$ equivalent of the specified amount of Euro and the Forms must be amended to reflect the use of US\$. The bases of conversion adopted must be stated by way of a supplementary note to Form 11 (code 1101).

Pure reinsurers

5. Lines 14 and 24 of Form 11 and line 27 of Form 12 must be left blank for a *pure reinsurer* that does not have *permission* under the *Act* to effect *contracts of insurance*.

Prior year figures

6. *PRU 7.2.71R* requires recalculation of the *gross adjusted premiums amount* and the *gross adjusted claims amount* (but not during *financial years* beginning before 31 December 2004, because of the transitional provisions) if there has been a significant change to the business portfolio. This may alter the *claims amount* or the *premiums amount* used in calculating the *general insurance capital requirement* for the *financial year* in question. For this reason, entries in column 2 (but not the *brought forward amount*: this should (errors excepted) equal the *brought forward amount* calculated in the previous year's return) may differ from the corresponding entries from the previous year. Any restatement of the figures should be explained by way of a supplementary note to Form 11 (code 1102) and Form 12 (code 1202).
7. If the *financial year* began before 1 January 2004: then
 - 11.14.2, 11.24.2, 11.52.2 and 12.27.2 should be left blank;
 - lines 21 to 41, column 2, of Form 12 relating to *long-term insurance business*, should be left blank; and
 - no amounts should be included in column 2 of Form 11 that relate to *class IV* business.
8. Where the *financial year* began between 1 January 2004 and 31 December 2004 (inclusive), the previous *financial year's* figures would normally be those sent to the *FSA* under rule 9.6(1B) and may be unaudited.

9. If the *financial year* began before 1 January 2005:

- the treatment of "actuarial health insurance" in the calculation will have changed and prior year figures in lines 32 and 33 of Form 11 and lines 32 and 33 of Form 12 may be inappropriate because the form does not represent the calculation at the time. If so, these figures should be left blank and an explanation should be provided by way of a supplementary note to Form 11 (code 1103) and Form 12 (code 1203).
- the *firm* would not have had a reference period in relation to the *previous financial year* if it had been in existence for less than 3 or 7 *financial years* (as appropriate). If it had no reference period, then lines 11 to 41, column 2, of Form 12 should be left blank.

Premiums and claims

10. *PRU 7.2.66R* requires amounts of *premiums* and *claims* to be determined in accordance with *PRU 1.3* and so (by virtue of *PRU 1.3.5R*) normal accounting conventions will generally apply. However, *premiums* and *claims* are defined by references to *contracts of insurance* and these themselves are defined by the *Regulated Activities Order* so that *premiums* or *claims* may be included for contracts that would not be treated as insurance under normal accounting conventions.

Euro

11. The Euro amounts in the calculation of line 33 of Form 11 and line 33 of Form 12 will change from time to time as the result of indexation in accordance with *PRU 7.2.49R*. The conversion rate to be used is described in *PRU 7.2.50R*. Changes in the Euro amounts or conversion rates will not affect prior year figures.

Actuarial health insurance

12. "Actuarial health insurance" refers to health insurance business that meets the conditions of *PRU 7.2.72R* or for *class IV insurance business* those conditions as modified by *PRU 7.2.86R*.

Instructions for completion of Form 11

1. Line 30 represents the *gross adjusted premiums amount* calculated in accordance with *PRU 7.2.56R*, if the *financial year* has 12 months. Otherwise line 31 represents the *gross adjusted premiums amount*.
2. In accordance with *PRU 7.2.54R*, the reinsurance ratio calculated at line 49 must be:
 - 100% if sub-total D / sub-total C exceeds 100%;
 - 50% if sub-total D / sub-total C is less than 50%; and
 - sub-total D / sub-total C, otherwise.
3. The provisions in line 51 must be net of *reinsurance* and must not be discounted or reduced to take account of investment income, except for:
 - risks in *classes 1 or 2*;
 - reductions to reflect the discounting of annuities; and
 - a *pure reinsurer* that does not have *permission* under the *Act* to effect *contracts of insurance*.

For these exceptions, the discount must be calculated in accordance with *PRU 1.3.5R* and, if any amounts in line 51 are discounted, a supplementary note to the Form 11 (code 1104) must describe the items that are discounted.

Instructions for completion of Form 12

1. The reference period in line 11 is specified in *PRU 7.2.63R*.
2. Statistical methods may be used to allocate the *claims*, provisions and recoveries in respect of *classes* 11, 12 and 13 in line 27.
3. Line 31 represents the *gross adjusted claims amount* calculated in accordance with *PRU 7.2.60R*.

Line 43 represents the *general insurance capital requirement* that relates to the following *financial year*: that is the year commencing on the day after the year end to which the *returns* relate.

Analysis of admissible assets

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

Category of assets

Company registration number	GL/UK/CM	Period ended			Units	Category of assets
		day	month	year		
R13					£000	

Investments				As at the end of this financial year 1	As at the end of the previous year 2
Land and buildings				11	
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21		
		Debt securities issued by, and loans to, dependants	22		
	Other insurance dependants	Shares	23		
		Debt securities issued by, and loans to, dependants	24		
	Non-insurance dependants	Shares	25		
		Debt securities issued by, and loans to, dependants	26		
	Other group undertakings and participating interests	Shares	27		
		Debt securities issued by, and loans to, group undertaking	28		
		Participating interests	29		
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30		
Total sheet 1 (11 to 30)				39	

Analysis of admissible assets

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

Category of assets

		Company registration number	GL/UK/CM	Period ended		Units	Category of assets
				day	month		
		R13				£000	
Investments (continued)				As at the end of this financial year 1		As at the end of the previous year 2	
Deposits with ceding undertakings							
Assets held to cover linked liabilities							
Other financial investments	Equity shares		41				
	Other shares and other variable yield securities		42				
	Holdings in collective investment schemes		43				
	Rights under derivative contracts		44				
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45			
			Other	46			
		Variable interest	Approved securities	47			
			Other	48			
	Participation in investment pools		49				
	Loans secured by mortgages		50				
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51			
		Loans secured by policies of insurance issued by the insurer		52			
		Other		53			
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54			
		Withdrawal subject to a time restriction of more than one month		55			
	Other		56				
	Deposits with ceding undertakings			57			
Assets held to match linked liabilities	Index linked		58				
	Property linked		59				
Reinsurers' share of technical provisions	Provision for unearned premiums		60				
	Claims outstanding		61				
	Provision for unexpired risks		62				
	Other		63				
Total sheet 2 (41 to 63)			69				

Analysis of admissible assets

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

Category of assets

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets
				day	month	year		
R13							£000	
Debtors				As at the end of this financial year 1			As at the end of the previous year 2	
Other assets								
Debtors arising out of direct insurance operations	Policyholders		71					
	Intermediaries		72					
Salvage and subrogation recoveries			73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted		74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded		75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year	76					
		Due more than 12 months after the end of the financial year	77					
	Other	Due in 12 months or less after the end of the financial year	78					
		Due more than 12 months after the end of the financial year	79					
Tangible assets			80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities		81					
	Cash in hand		82					
Other assets (particulars to be specified by way of supplementary note)			83					
Prepayments and accrued income	Accrued interest and rent		84					
	Deferred acquisition costs		85					
	Other prepayments and accrued income		86					
Deductions from the aggregate value of assets			87					
Total sheet 3 (71 to 86 less 87)			88					
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)			89					

Reconciliation to asset values determined in accordance with the insurance accounts rules

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91		
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings.	93		
Other differences in the valuation of assets (other than for assets not valued above)	94		
Other inadmissible assets	95		
Total assets determined in accordance with the <i>insurance accounts rules</i> (91 to 95)	99		
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	100		

Instructions for completion of Form 13

1. Form 13 must be completed for the total *long-term insurance business assets* of the *insurer* or *branch* and for each fund or group of funds for which separate assets are appropriated. 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 contain "10" for the total assets and, in the case of separate funds, code numbers allocated sequentially beginning with code "11".
2. Form 13 must be completed in respect of the total assets of the *insurer* or *branch* other than any *long-term insurance business assets*. The words "total other than *long-term insurance business assets*" must be shown against the heading "Category of assets", and the corresponding code box must contain "1".
3. (a) In the case of the *United Kingdom branch return* of an *external insurer* (other than a *pure reinsurer*) Form 13 must be completed for the following categories of assets -

Category	Code - other than <i>long-term insurance business assets</i>	Code - <i>long-term insurance business assets</i>
In the case of a <i>non-EEA insurer</i> , assets deposited under <i>PRU 7.6.54R</i>	2	6
Assets maintained in the <i>United Kingdom</i>	3	7
Assets maintained in the <i>United Kingdom</i> and the other <i>EEA States</i>	4	8

- (b) In the case of an *EEA branch return* of a *UK-deposit insurer* which has made a *deposit* under *PRU 7.6.54R*, Form 13 must be completed for the following categories of assets -

Category	Code – other than <i>long-term insurance business assets</i>	Code – <i>long-term insurance business assets</i>
Assets deposited under <i>PRU 7.6.54R</i>	2	6
Assets maintained in the <i>United Kingdom</i> and the other <i>EEA States</i>	4	8
Assets maintained in the <i>United Kingdom</i> and the <i>EEA States</i> where <i>insurance business</i> is carried on	5	9

4. In lines 11 to 86 -
 - (a) for the purpose of classifying (but not valuing) assets, headings and descriptions used above, wherever they also occur in the balance sheet format in Schedule 9A to the *Companies Act*, must have the same meaning as in that Schedule,
 - (b) *dependants* of the *firm* must be valued in accordance with *PRU 1.3.35R*,
 - (c) a *related undertaking* that is not a *dependant* of the *firm* must be valued in accordance with *PRU 1.3.35R* unless:
 - It is an *ancillary services undertaking* which must be valued at zero;

- It is a *related undertaking* that is not a *regulated related undertaking* which must be valued in accordance with *PRU 1.3.11R*; or
 - It is a *regulated related undertaking* which the *firm* has made an election to value in accordance with *PRU TR 25R*
- (d) other assets must be valued in accordance with rule 9.10,
- (e) assets of any particular description must be shown after deduction of assets of that description which (for any reason) fall to be left out of account under *PRU 3.2.22R(3)(a), (b), (c), (g) and (h)*. Negative amounts should not be shown at lines 11 to 86. If a deduction is more than the value of the assets to which it relates, the excess element of the deduction should be shown at line 87; and
- (f) deductions in respect of *market risk* and *counterparty risk* are to be shown in line 87, to the extent that (e) does not require them to be recognised in other lines.
5. The aggregate value of those investments which are:
- (a) *unlisted* investments falling within any of lines 41, 42, 46 or 48 which have been valued in accordance with the *rules* in *PRU 1.3*;
- (b) *listed* investments falling within any of lines 41, 42, 46 or 48 which have been valued in accordance with the *rules* in *PRU 1.3* and which are not *readily realisable*;
- (c) units or other beneficial interests in *collective investment schemes* that:
- (i) are not schemes falling within the *UCITS Directive*;
 - (ii) are not authorised unit trust schemes or recognised schemes within the meaning of Part XVII of the *Act*;
 - (iii) do not employ *derivative contracts* unless they meet the criteria in *PRU 4.3.5R*;
 - (iv) do not employ contracts or assets having the effect of *derivative contracts* unless they have the effect of *derivative contracts* that meet the criteria in *PRU 4.3.5R*; and
 - (v) do not include assets other than *admissible assets* among their property; or
- (d) reversionary interests or remainders in property other than land or buildings,
- must be stated by way of a supplementary note (code 1301 for other than *long-term insurance business* and code 1308 for *long-term insurance business*) to this Form, together with a description of such investments.
6. The aggregate value of those investments falling within lines 46 or 48 which are *hybrid securities* are to be stated by way of a supplementary note (code 1302 for other than *long-term insurance business* and code 1309 for *long-term insurance business*) to this Form.
7. Amounts in respect of salvage or subrogation included above other than at line 73 are to be stated by way of a supplementary note (code 1303) to this Form.
8. The entry at line 85 must be equal to the sum of lines 22.29.3 and lines 25.24.99-99.

9. The amount to be shown in line 93 shall represent the total of the relevant proportions in accordance with *PRU 1.3.37R* and *PRU 1.3.38R* of the *individual capital resources requirements* of the *regulated related undertakings*.
10. In line 95 "inadmissible assets" refers to those assets described at *PRU 2.2.86R* that are not assets listed in *PRU 2 Annex 1R*.
11. Lines 60 to 63 and 85 relate only to *general insurance business*.
12. Lines 60 to 63 and 85 must be left blank for "Category of assets" codes "2", "3", "4" and "5".
13. Since the *technical provisions* for *claims* outstanding shown in **Form 15** may only be discounted or reduced to take account of investment income in limited circumstances, the amount shown at line 12 of **Form 15** may need to be increased (see instruction 4 to **Form 15**). In such cases, the *reinsurers'* share shown at line 61 must be adjusted to be consistent with the amount shown in line 12.
14. It would be appropriate to state the amount of any tangible leased asset included at line 80 by way of a supplementary note (code 1314 for other than *long-term insurance business* and code 1316 for *long-term insurance business*) to this Form.
15. Particulars of any other assets included at line 83 must be stated by way of a supplementary note (code 1315 for other than *long-term insurance business* and code 1317 for *long-term insurance business*) to this Form.

Long term insurance business liabilities and margins

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

Category of assets

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
R14							£000	
						As at end of this financial year 1	As at end of the previous year 2	
Mathematical reserves, after distribution of surplus				11				
Cash bonuses which had not been paid to policyholders prior to end of the financial year				12				
Balance of surplus / (valuation deficit)				13				
Long term insurance business fund carried forward (11 to 13)				14				
Claims outstanding which had fallen due for payment before the end of the financial year		Gross amount		15				
		Reinsurers' share		16				
		Net (15-16)		17				
Provisions for other risks and charges		Taxation		21				
		Other		22				
Deposits received from reinsurers				23				
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business		31				
		Reinsurance accepted		32				
		Reinsurance ceded		33				
	Debenture loans	Secured		34				
		Unsecured		35				
	Amounts owed to credit institutions		36					
	Other creditors	Taxation		37				
Other		38						
Accruals and deferred income				39				
Provision for "reasonably foreseeable adverse variations"				41				
Total other insurance and non-insurance liabilities (17 to 41)				49				
Excess of the value of net admissible assets				51				
Total liabilities and margins				59				
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance				61				
Amounts included in line 59 attributable to liabilities in respect of property linked benefits				62				
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate				63				

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 40.
2. The entry at line 11 must equal the sum of lines 21, 43, 44 and 45 of the appropriate Form or Forms 58.
3. The entry at line 12 must equal line 42 of the appropriate Form or Forms 58.
4. The entry at line 13 must equal line 49 of the appropriate Form or Forms 58.
5. The entry at line 14 must equal line 59 of the appropriate Form or Forms 40.
6. Where the provision required by *PRU* 4.3.17R(3) is implicit (i.e. the obligation to pay the monetary amount is recognised under the *rules* in *PRU* 1.3), it would be appropriate to state, in a supplementary note (code 1404) to this Form, the amount of the provision.
7. The entry at line 51 must be:
 - (a) the value of the *admissible assets* (as included in line 89 of the appropriate Form 13) representing the *long-term insurance funds*, fund or group of funds to which the Form relates, less
 - (b) the amount of those funds, fund or group of funds, being the sum of the amounts shown at lines 14 and 49.
8. The entry at line 63 must be zero for *financial years* ending on or after 31 December 2004.
9. It would be appropriate to state, in a supplementary note (code 1403) to this Form, the amount of each provision, included in line 22, in respect of a deficit in a *regulated related undertaking* and the identity of the *undertaking*.

Liabilities (other than long term insurance business)

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	
		R15				£000
				As at the end of this financial year 1	As at the end of the previous year 2	
Technical provisions (gross amount)	Provision for unearned premiums		11			
	Claims outstanding		12			
	Provision for unexpired risks		13			
	Equalisation provisions	Credit business	14			
		Other than credit business	15			
	Other		16			
Total (11 to 16)		19				
Provisions for other risks and charges	Taxation		21			
	Other		22			
Deposits received from reinsurers			31			
Creditors	Arising out of insurance operations	Direct insurance business	41			
		Reinsurance accepted	42			
		Reinsurance ceded	43			
	Debenture loans	Secured	44			
		Unsecured	45			
	Amounts owed to credit institutions		46			
	Other creditors	Taxation	47			
		Recommended dividend	48			
		Other	49			
Accruals and deferred income			51			
Total (19 to 51)			59			
Provision for "reasonably foreseeable adverse variations"			61			
Cumulative preference share capital			62			
Subordinated loan capital			63			
Total (59 to 63)			69			
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance			71			

Instructions for completion of Form 15

1. Amounts in lines 11 to 13 and 16 must be stated gross of *reinsurers' share*.
2. The aggregate amount of any accrued dividend in respect of cumulative *preference shares* issued by the *insurer* must be shown by way of a supplementary note (code 1503) to this Form.
3. Only equalisation provisions that are created as a result of a regulatory requirement are to be included at lines 14 and 15
4. The amount shown in line 12 may only be discounted or reduced to take account of investment income:
 - (a) for *Class 1* or *2* business; or
 - (b) in respect of annuities; or
 - (c) if the *insurer* is a *pure reinsurer* which does not have permission under the *Act* to effect *contracts of reinsurance*.

So, if the *technical provisions* for *claims* outstanding for other business are discounted or reduced to take account of investment income, then they must be increased by the difference between the undiscounted and the discounted provisions. If the *technical provisions* are increased the amount of the increase must be shown by way of a supplementary note (code 1505) to this Form, together with the corresponding increase in the *reinsurers' share* shown in line 61 of **Form 13**.

5. It would be appropriate to state the amount of each provision, included in line 22, in respect of a deficit in a *regulated related undertaking* and the identity of the *undertaking* in a supplementary note (code 1504) to this Form.
6. Where the provision required by *PRU 4.3.17R(3)* is implicit (i.e. the obligation to pay the monetary amount is recognised under the *rules* in *PRU 1.3*), it would be appropriate to state, in a supplementary note (code 1506) to this Form, the amount of the provision.

Profit and loss account (non-technical account)

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	
		R16					£000
		This financial year	Previous year	Source			
		1	2	Form	Line	Column	
Transfer (to)/from the general insurance business technical account	From Form 20	11		20	. 59		
	Equalisation provisions	12					
Transfer from the long term insurance business revenue account		13		40	. 26		
Investment income	Income	14					
	Value re-adjustments on investments	15					
	Gains on the realisation of investments	16					
Investment charges	Investment management charges, including interest	17					
	Value re-adjustments on investments	18					
	Loss on the realisation of investments	19					
Allocated investment return transferred to the general insurance business technical account		20		20	. 51		
Other income and charges (particulars to be specified by way of supplementary note)		21					
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29					
Tax on profit or loss on ordinary activities		31					
Profit or loss on ordinary activities after tax (29-31)		39					
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41					
Tax on extraordinary profit or loss		42					
Other taxes not shown under the preceding items		43					
Profit or loss for the financial year (39+41-(42+43))		49					
Dividends (paid and proposed)		51					
Profit or loss retained for the financial year (49-51)		59					

Instructions for completion of Form 16

1. In addition to the supplementary note (code 1601) required under **Appendix 9.1** paragraph 5(2), where any brought forward amounts on any Form are restated due to currency reconversion it would be appropriate to briefly state this fact in a supplementary note (code 1602) to this Form in order to facilitate the *FSA's* computerised validation of the *return*. This fact may be stated by a simple statement, e.g. 'Some of the brought forward amounts shown in the forms xx to xx have been restated from the corresponding carried forward amounts included in the previous year's *return* due to the reconversion of foreign currency amounts at a different rate of exchange'. No further details need be given.
2. Particulars of any amounts included at lines 21 must be stated by way of a supplementary note (code 1603) to this Form.
3. Particulars of any amounts included at lines 41 must be stated by way of a supplementary note (code 1604) to this Form.

Analysis of derivative contracts

Name of insurer

Global business/UK branch business/EEA branch business

Insurance Business : Long-term/Other than long term

Financial year ended

Category of assets

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets
				day	month	year		
		R17					£000	
Derivative contracts		As at the end of this financial year		As at the end of the previous year				
		Assets 1	Liabilities 2	Assets 3	Liabilities 4			
Futures contracts	Fixed-interest securities	11						
	Equity shares	12						
	Land	13						
	Currencies	14						
	Other	15						
Options	Fixed-interest securities	21						
	Equity shares	22						
	Land	23						
	Currencies	24						
	Other	25						
Contracts for differences	Fixed-interest securities	31						
	Equity shares	32						
	Land	33						
	Currencies	34						
	Other	35						
Adjustments for variation margin		41						
Total (11 to 41)		49						

Instructions for completion of Form 17

1. Form 17 must be completed in respect of the total *general insurance business assets* and in respect of the total *long-term insurance business assets*, if any, of the *insurer* or branch. Form 17 must also be completed for each fund or group of funds referred to in instruction 1 to Form 13.
2. The codes specified in instructions 1 to 3 to Form 13 must be used as appropriate.
3. *Derivative contracts* must be analysed according to the description of assets shown in the second column of Form 17 which represents the principal subject of the contract.
4. *Derivative contracts* must be reported as assets in column 1 of Form 17 if their value to the *insurer* (gross of *variation margin*) is positive and as liabilities in column 2 of Form 17 if their value (gross of *variation margin*) to the *insurer* is negative.
5. All amounts included at lines 11 to 35 of Form 17 in respect of *derivative contracts* must be determined without making any allowance for *variation margin*.
6. Amounts in respect of a *derivative contract* may only be included net of amounts in respect of any other *derivative contract* if -
 - (a) obligations of the *insurer* under the contracts may be set off against each other under generally accepted accounting practice; and
 - (b) such other contract has the effect (in whole or in part) of closing out the obligations of the *insurer* under the first mentioned contract.
7. The effect of any *variation margin* upon amounts included at lines 11 to 35 of Form 17 must be shown at line 41.
8. The entry at 17.49.1 must be included at 13.44.1.
9. The entry at 17.49.2 must be included at 14.47.1 or 15.49.1. as appropriate.
10. Rights to recover assets transferred by way of *initial margin* must not be shown on Form 17.

With-profits insurance capital component for the fund

Name of insurer
 With-profits fund
 Financial year ended
 Units

	As at end of this financial year 1	As at end of the previous year 2
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Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11		
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of non-profit insurance contracts written in the fund	13		
	Long-term admissible assets of the fund covering the long-term insurance capital requirement allocated in respect of non-profit insurance contracts written in the fund	14		
	Long-term admissible assets of the fund covering the resilience capital requirement allocated in respect of non-profit insurance contracts written in fund	15		
	Total (11+12-(13+14+15))	19		
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	21		
	Regulatory current liabilities of the fund	22		
	Total (21+22)	29		
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31		
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, long-term insurance capital requirement and resilience capital requirement (29+31+32)		39		
Regulatory excess capital (19-39)		49		

Realistic excess capital

Realistic excess capital	51		
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Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61		
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63 and zero; else greater of 61 and zero)	64		

Instructions for completion of Form 18

1. The entries at lines 11, 12, 13, 14 and 15 must equal the values determined in accordance with *PRU 7.4.24R*.
2. The entry at line 19 must equal the value determined in accordance with *PRU 7.4.23R(1)*.
3. The entries at lines 21 and 22 must equal the values determined in accordance with *PRU 7.4.29R*.
4. The entries at lines 29, 31 and 32 must equal the values determined in accordance with *PRU 7.4.23R(2)(a)*, (b) and (c) respectively.
5. The entry at line 39 must equal the value determined in accordance with *PRU 7.4.23R(2)*.
6. The entry at line 49 must equal the value determined in accordance with *PRU 7.4.23R*.
7. The entry at line 51 must equal the value at Form 19, Line 66.
8. The entry at line 62 must equal C, determined in accordance with *PRU 7.4.7R(3)(a)*.
9. The entry at line 63 must equal D, determined in accordance with *PRU 7.4.7R(3)(b)*.
10. The entry at line 64 must equal the contribution in respect of the fund to the aggregate value determined in accordance with *PRU 7.4.7R(1)*.

Realistic balance sheet

Form 19
(Sheet 1)

Name of insurer
With-profits fund
Financial year ended
Units

	As at end of this financial year 1	As at end of the previous year 2
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Realistic value of assets available to the fund

Regulatory value of assets	11		
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26		
Support arrangement assets	27		
Assets available to the fund (26+27)	29		

Realistic value of liabilities of fund

With-profits benefit reserve	31		
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33	
	Planned enhancements to with-profits benefits reserve	34	
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	
	Future costs of contractual guarantees (other than financial options)	41	
	Future costs of non-contractual commitments	42	
	Future costs of financial options	43	
	Future costs of smoothing (possibly negative)	44	
	Financing costs	45	
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	
Realistic current liabilities of the fund	51		
Realistic value of liabilities of fund (31+49+51)	59		

Realistic balance sheet

Name of insurer
With-profits fund
Financial year ended
Units

	As at end of this financial year 1	As at end of the previous year 2
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Realistic excess capital and additional capital available

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	62		
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+63)	64		
Risk capital margin for fund (62-59)	65		
Realistic excess capital for fund (26-(59+65))	66		
Realistic excess available capital for fund (29-(59+65))	67		
Working capital for fund (29-59)	68		
Working capital ratio for fund (68/29)	69		

Other assets potentially available if required to cover the fund's risk capital margin

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

Instructions for completion of Form 19

1. The entry at line 11 must equal the value at Form 18, Line 19.
2. The entry at line 12 must equal the value at Form 18, Line 12.
3. The entry at line 13 must be the amount determined in accordance with *PRU* 1.3 and excluded from the amount calculated in accordance with *PRU* 7.4.33R(1)(a).
4. The entry at line 21 must be the amount of the fund's excess *admissible assets*, determined in accordance with *PRU* 7.4.33R(1)(b).
5. The entry at line 22 must be the present value of future profits (or losses) on any *non-profit insurance contracts* written in the *with-profits fund*, determined in accordance with *PRU* 7.4.33R(1)(c).
6. The entry at line 23 must be the market value of any *derivative* or *quasi-derivative* determined in accordance with *PRU* 7.4.33R(1)(d).
7. The entry at line 24 must be the amount determined in accordance with *PRU* 7.4.33R(1)(e).
8. The entry at line 25 must be the amount determined in accordance with *PRU* 7.4.33R(1)(f).
9. The entry at line 26 must be the amount determined in accordance with *PRU* 7.4.32R(1).
10. The entry at line 27 must be any other amount providing capital support to the fund under a support arrangement, included with the prior agreement of the *FSA*.
11. The entry at line 31 must be the amount determined in accordance with *PRU* 7.4.40R(1).
12. The entries at lines 32, 33, 34, 35, 36, 41, 42, 43, 44, 45, 46 and 47 must be the amounts determined in accordance with *PRU* 7.4.137R(1) to (11).
13. The entry at line 32 is the (positive) amount determined in accordance with *PRU* 7.4.137R(1) if this represents a surplus.
14. The entry at line 33 is the (positive) amount determined in accordance with *PRU* 7.4.137R(1) if this represents a deficit.
15. The entries at lines 34, 35, 36, 41, 42, 43, 44 and 45 are the amounts determined in accordance with *PRU* 7.4.137R(2) to (9) respectively.
16. The entries at lines 46 and 47 are the values determined in accordance with *PRU* 7.4.137R(10) and (11).
17. The entry at line 49 must be the amount determined in accordance with *PRU* 7.4.40R(2).
18. The entry at line 51 must be the amount determined in accordance with *PRU* 7.4.40R(3).
19. The entry at line 59 must be the amount determined in accordance with *PRU* 7.4.32R(2)(a).
20. The entry at line 62 must be the amount described as A and determined in accordance with *PRU* 7.4.43R(3)(a) adjusted to exclude any amount taken into consideration under *PRU* 7.4.45R(2)(c).
21. The entry at line 63 must be any amount taken into consideration under *PRU* 7.4.45R(2)(c) in determining the amount described as A in accordance with *PRU* 7.4.43R(3)(a).
22. The entry at line 64 must be the amount described as A and determined in accordance with *PRU* 7.4.43R(3)(a).
23. The entry at line 65 must be the amount determined in accordance with *PRU* 7.4.32R(2)(b).
24. The entry at line 66 must be the amount determined in accordance with *PRU* 7.4.32R.
25. The entry at line 81 must be an amount not exceeding the sum of the value of the net shareholders assets of the *firm* and the surplus assets of the *firm's non-profit funds*, to the extent not included at any Form 19 line 27 or at any Form 19 line 62 and to the extent not required to meet regulatory capital requirements in respect of any business written outside the fund.
26. The entry at line 82 must be an amount not exceeding 50% of the present value of future profits arising from insurance contracts written by the *firm* outside its *with-profits funds* reduced by the sum of any amounts included at any Form 19 line 63.

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.
2. The provisions of paragraph 1(2) and paragraphs 2 to 7 of **Appendix 9.1**, unless otherwise provided, also apply for the purposes of this Appendix.

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)
F20 to F25 Technical provisions and profit & loss account	Category number 001	Forms always required
	Category numbers 002,003	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.
	Category numbers 110, 120, 160, 180, 220, 260, 270, 280, 330, 340, 350, 400, 500, 600, 700	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</i> total <i>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</i> total <i>gross written premiums</i> and £1 million.
	Category number 409	Some business in <i>category number</i> 002 is not reported on Forms 20 to 25 for <i>category numbers</i> 110 to 400.

	<i>Category number 709</i>	Some business in <i>category number 003</i> is not reported on Forms 20 to 25 for <i>category numbers 500, 600 and 700</i> .
F26 to F29 Results by year of origin for treaties accepted	<i>Category numbers 510 to 590 and 610 to 690</i> denominated in any one currency. <i>Category number 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</i> total <i>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</i> total <i>gross written premiums</i> and £1 million.
F31, F32, F34 Gross results by year of origin for direct and facultative business	<i>Category numbers 330 to 350</i> denominated in any one currency. <i>Category numbers 110 to 284</i> denominated in any one currency carried on in any 'reporting territory' <i>Category number 400</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</i> total <i>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</i> total <i>gross written premiums</i> and £1 million.

- (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 must be shown in the currency 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 those amounts to sterling for inclusion elsewhere in the *returns*.
- (3) Notwithstanding the provisions of 2, all amounts included in -
 - (a) **Forms 20A, 20 to 25**; and
 - (b) any **Form 26 to 29, 31, 32 or 34** prepared in sterling,

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*.

- (4) [deleted]
 - (5) A *insurer* need not apply (3) to amounts shown in any line of any of the forms mentioned in that sub-paragraph representing an accident year or underwriting year ending before 23 December 1996.
 - (6) [deleted]
4. All amounts shown in sterling must be shown to the nearer £1,000. Amounts in any other currency on **Forms 26 to 29, 31, 32 and 34** must be shown to the nearer 1,000 principal monetary units of that currency except that, where the rate of exchange of the currency in relation to £1 sterling on the last day of the *financial year in question* exceeded 1,000 principal monetary units of that currency, the amounts must be shown to the nearer 1,000,000 principal monetary units and ‘000,000’ must be inserted in the box labelled ‘Monetary units’. In other cases, this box must be completed by inserting ‘000’.
5. [deleted]
6. [deleted]
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.

8. [deleted]

Presentation of amounts

8A Where in any Form an amount which is shown brought forward from a previous year differs from the corresponding amount shown as carried forward from that year and the difference is not due solely to the use of a different rate to express other currencies in sterling, an explanation of the reason for the difference must be given by way of a supplementary note to that Form in accordance with **Appendix 9.1** paragraph 7. For **Forms 21, 22, 23, 24, 26, 27,**

28, 31, 32, 33, 34 or 35, the code for the supplementary note is 2101, 2201, 2301, 2401, 2601, 2701, 2801, 3101, 3201, 3301, 3401 or 3501 respectively.

Premiums

9. In **Forms 23, 26, 27, 31 and 32** -

- (a) *gross premiums earned* in respect of an accident year must be such proportion of *gross premiums written* as is attributable to risks borne by the *insurer* during that accident year; and
- (b) the *reinsurers'* share of premiums earned must be attributed to the same accident years as the corresponding *gross premiums earned*, so as to calculate the *net earned premiums* for each accident year.

10. In **Forms 24, 25, 28, 29 and 34** -

- (a) *gross premiums written* in an underwriting year must be the amount of such premiums arising in respect of *contracts of insurance incepted* during that year, whether or not they are received during that year; and
- (b) the *reinsurers'* share of premiums written must be attributed to the same underwriting years as the corresponding *gross premiums written*.

11. For the purposes of 10 and 14, where an *insurer* has acquired *policies* under a transfer approved under Part VII of the *Act* or its predecessor legislation or approved by the competent authority of another *EEA State* under Article 12 of the *Third Non-Life Directive*, the *policies* transferred to the *insurer* must be taken to have *incepted* on the date of such transfer.

12. In all Forms to which this Appendix relates, amounts required to be shown in respect of premiums must be shown before deduction for commissions.

Claims

13. (1) In **Forms 23, 26, 27, 31 and 32**, where an amount or number is required to be shown for *claims* in respect of an accident year, that amount or number must be determined on the basis of *claims* arising from incidents occurring during that accident year.
- (2) For the purposes of (1), an incident giving rise to a claim under a *claims-made policy* is deemed to occur on the earlier of -
- (a) the date on which it is notified in accordance with the terms of that *policy*; or
 - (b) the date on which the period for which cover is provided under that *policy* expires.

- (3) For the purposes of (1), where an *insurer* has assumed, pursuant to a contract, responsibility (whether wholly or in part) for the payment or reimbursement of *claims* made under *policies* effected by another *insurer*, all incidents occurring prior to the date of such contract and giving rise to *claims* under those *policies* are deemed have occurred on the date of such contract.
 - (4) In the application of (3), the reference to responsibility assumed by an *insurer* includes responsibility assumed as a *reinsurer* or under a transfer under Part VII of the Act or its predecessor legislation or approved by the competent authority of another *EEA State* under Article 12 of the *Third Non-Life Directive*; and in the case of such a transfer the date of the contract is taken to be the date of the transfer.
14. In **Forms 24, 25, 28, 29** and **34**, where an amount is required to be shown for *claims* in respect of a *financial year*, that amount must be determined on the basis of *claims* arising under *contracts of insurance incepted* during that year.
15. In all Forms to which this Appendix relates, amounts required to be shown for *claims* must not include amounts in respect of *claims management costs*.

UK and overseas business

16. (1) For each *risk category* there must be stated by way of supplementary note (code 20Ag) to **Form 20A** -
- (a) if any of the *gross written premiums* 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 overseas business, *home foreign business*, and other UK business;
 - (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
 - (c) the name of the *risk category*.
- (2) For the purposes of this Appendix, and (1)(a) in particular, gross premiums written must be shown or included as UK premiums if, in the case of direct or facultative reinsurance, 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*, the following by way of supplementary note to **Form 20A** (code 20Ah) -
 - (a) the date of the transfer;
 - (b) whether the transfer was approved under Part VII of the *Act* or its predecessor legislation or approved by the competent authority of another *EEA State* under Article 12 of the *Third Non-Life Directive* or was effected by novation;
 - (c) any amounts included in columns 1, 2, 3 and 4 on **Form 20A** in respect of consideration for the transfer;
 - (d) [deleted]
 - (e) the earliest and latest dates upon which the relevant *policies* *incept*; and
 - (f) whether or not any of the *policies* has a duration of longer than 12 months and, if so, the date by which all *policies* will have expired.
- (2) (1) does not apply in respect of any transfer by way of novation unless the amounts mentioned in (1)(c) exceed in aggregate 2.5% of the insurer's gross premium income for the financial year in question.
- (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*.

Unearned premiums

18. In **Forms 21** and **25**, the basis on which unearned premiums are calculated and the reason for adopting this basis must be stated by way of supplementary note (code 2102 in the case of **Form 21** and code 2501 in the case of **Form 25**).

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 *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 *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 *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 category.
20. (1) Where the amount included at column 3 line 19 (provision for unexpired risks) in any **Form 22** or at column 99-99 of line 23 (provision for unexpired risks) in any **Form 25** has been determined after taking into account expected investment return, the following must be stated by way of supplementary note (code 2205 in the case of **Form 22** and code 2502 in the case of **Form 25**) -
- (a) the provision for unexpired risks before taking such investment return into account;
- (b) the rates of investment return assumed; and
- (c) the average interval between the end of the *financial year in question* and the date at which *claims* are expected to be settled in cash.

Cessation of business

21. (1) If the *insurer* has effected no ‘new contracts of insurance’ of 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 supplementary note (code 20Aj) to **Form 20A**.

- (2) For the purposes of this paragraph and 22, a **new contract of insurance** is any *contract of insurance* effected by the *insurer* other than in fulfilment of its obligations under subsisting *contracts of insurance* .

Claims management costs

22. (1) In **Forms 22** and **24**, the basis used for the determination of amounts for *claims management costs* payable in the *financial year in question* and carried forward to the following *financial year* must be stated by way of supplementary note (code 2202 in the case of **Form 22** and code 2404 in the case of **Form 24**).
- (2) If, in respect of any *FSA general insurance business reporting category* -
- (a) no amount for *claims management costs* is shown as being carried forward to the following *financial year*; and
 - (b) an amount for net claims is shown as being carried forward to that year,
- the reason for anticipating that there will be no *claims management costs* incurred during the following *financial years* must be included in the note required by (1) .
- (3) If, within an *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).
- (4) Where the amount in respect of *claims management costs* carried forward and included in any **Form 22** or **24** has been determined after taking into account expected investment return, there must be stated by way of supplementary note to **Form 22** (code 2203) or **Form 24** (code 2405) -
- (a) the rates of investment return assumed; and
 - (b) the average interval between the end of the *financial year in question* and the date by which the *claims management costs* are expected to be expended.

Acquisition costs

23. The basis used for the determination of amounts for acquisition costs (other than commission) payable in the *financial year in question* and carried forward to the next *financial year*, as shown at line 22 of **Form 22** and line 42 of **Form 24**, must be stated by way of a supplementary note to **Form 22** (code 2204) and **Form 24** (code 2406).

Underwriting year accounting

24. (1) With reference to the *financial year in question* and in respect of each *FSA general insurance business reporting category*, the following information must be stated by way of supplementary note (code 2402) to **Form 24** -
- (a) the reason for accounting for such business on an underwriting year basis;
 - (b) the basis for distinguishing between such business and any other business falling within the same *FSA general insurance business reporting category* accounted for on an accident year basis;
 - (c) the accounting policy adopted for determining the provision for *claims* outstanding; and
 - (d) if the information provided in (a) to (c) differs in respect of risks *incepted* in the *financial year in question* from risks of a similar description *incepted* in *previous financial years*, the reason for that difference.
- (2) Where the provision for *claims* outstanding is set in respect of any business using the ‘non-annual method’, the note required by (1)(a) must include the following information -
- (a) the reason for using the ‘non-annual method’;
 - (b) the basis for distinguishing between such business and other business accounted for on an underwriting year basis falling within the same *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 *FSA general insurance business reporting category* -
 - (i) the basis for distinguishing between the types of business,
 - (ii) the normal period for each type, and
 - (d) where an underwriting year is left ‘open’ for longer than the normal period, the reason for not ‘closing the year’.
- (3) For the purposes of this Appendix -
- (a) **non-annual method** refers to the method described by paragraph 52 of the *insurance accounts rules*; and
 - (b) a year is **open** with respect to any business *incepted* during that year if the provision for outstanding *claims* in respect of that business is set

using the 'non-annual method' and if so set previously has not now been replaced in accordance with the requirements of paragraph 52(4) of the *insurance accounts rules*, and **closed year** and **closing a year** is construed accordingly.

Business managed together

25. (1) For the purposes of **Forms 25** and **29**, risks may be regarded as managed together if -
- (a) they *incept* in the same *financial year* and are accounted for using the 'non-annual method'; and
 - (b) they may be treated as managed together under generally accepted accounting practice.
- (2) Where any amount is shown on **Form 25** or **29** for the transfer of anticipated surplus, the following must be stated by way of supplementary note to **Form 25** (code 2504) or **Form 29** (code 2901) -
- (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 categories* into which such business falls); and
 - (b) the reason for treating the business as managed together.

Application of accounting practice

26. (1) Amounts in respect of inwards and outwards *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 inwards or outwards *contract of insurance* have been excluded from the revenue account, the following must be shown by way of supplementary note (code 20Ak) to **Form 20A** -
- (a) a description of the terms of that contract;
 - (b) a description of the accounting treatment adopted and an explanation for adopting that treatment;
 - (c) a statement of the amounts paid and received during the *financial year* under that contract; and
 - (d) a statement of the amounts in respect of that contract included in each Form prepared under this Appendix or **Appendix 9.1**.

- (3) A *insurer* may elect to show the information required by (1) in respect of groups of contracts which were effected in the same *financial year* with substantially the same contract terms and in respect of which the same accounting treatment has been adopted.

Discounting

27. (1) Sheet 2 of **Form 30** need only be completed if the provision for *claims* outstanding being discounted (before deduction for discounting) exceeds 25% of the total provision for *claims* outstanding (before deduction for discounting).
- (2) Where in accordance with (1) no Sheet 2 is prepared -
- (a) lines 21 and 29 of Sheet 1 need not be completed; and
 - (b) lines 11 to 20 need only be completed in respect of those currencies for which the provision for *claims* outstanding being discounted (before deduction for discounting) exceeds 25% of the total provision for that currency for *claims* outstanding (before deduction for discounting).
- (3) For the purposes of **Form 30**, a **major currency** is a currency in respect of which the provision for *claims* outstanding (before deduction for discounting) is not less than 10% of the total provision for *claims* outstanding (before deduction for discounting).
- (4) In **Form 30**, the value of an asset or liability which would be treated as an asset or liability in a particular currency for the purposes of rule 7.1 (disregarding rule 7.6(1)) must be shown in that currency.
- (5) The following must be stated by way of supplementary note (code 3003) to **Form 30** -
- (a) the *risk categories* where adjustments for discounting have been made; and
 - (b) in respect of each such *risk category* -
 - (i) the methods used in calculating the deduction for discounting,
 - (ii) the rate of interest used for the calculation of present values,
 - (iii) the expected average interval between the date for settlement of *claims* being discounted and the end of the *financial year in question*, and
 - (iv) the criteria adopted for estimating the period that will elapse before *claims* are settled.

Reinsurance

28. Where the *reinsurers'* share of *claims* incurred (as stated in any **Form 22** or **25**) includes amounts expected to be recovered from *reinsurers* more than 12 months after the payment of the underlying gross *claims* by the *insurer*, the following must be stated by way of supplementary note to **Form 22** (code 2206) or **25** (code 2503) as appropriate -
- (a) the amount of such recoveries; and
 - (b) the accounting treatment which has been adopted in respect of discounting such recoveries.

Risk groups

29. [deleted]

Continuation sheets

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

Country codes

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

COUNTRY	CODE	CURRENCY	CODE
Afghanistan	QS	Afghani	AFA
Albania	CE	Albanian Lek	ALL
Algeria	KA	Algerian dinar	DZD
Andorra	CG	Euro	EUR
Angola	MT	Kwanza	AOA
Anguilla	GY	East Caribbean Dollar	XCD
Antigua And Barbuda	GP	East Caribbean Dollar	XCD
Argentina	JA	Argentine Peso	ARP
Armenia	RB	Armenian dram	AMD
Aruba	GM	Aruban guilder	AWG
Australia	EA	Australian dollar	AUD
Austria	BL	Euro	EUR
Azerbaijan	RC	Azerbaijani menat	AZM
Bahamas	GD	Bahamian dollar	BSD
Bahrain	PN	Bahraini dinar	BHD
Bangladesh	QA	taka	BDT
Barbados	GA	Barbadian dollar	BBD
Belarus	RD	Belarusian ruble	BYR
Belgium	BD	Euro	EUR
Belize	HH	Belizean dollar	BBD

Benin	LK	CFA franc (BCEAO)	XOF
Bermuda	GE	Bermudan dollar	BMD
Bhutan	QX	ngultrum/Indian rupee	BTN/INR
Bolivia	JL	boliviano	BOB
Bosnia and Herzegovina	CH	marka	BAM
Botswana	MG	pula	BWP
Brazil	JC	real	BRL
Brunei	QY	Bruneian Dollar	BND
Bulgaria	CD	lev	BGN
Burkina Faso	LL	CFA franc (BCEAO)	XOF
Burundi	MW	Burundi franc	BIF
Cambodia	QU	reil	KHR
Cameroon	MV	CFA Franc (BEAC)	XAF
Canada	FA	Canadian dollar	CAD
Cape Verde	LM	Cape Verdean escudo	CVE
Central African Republic	MY	CFA franc (BCEAO)	XOF
Chad	NA	CFA franc (BCEAO)	XOF
Channel Islands	BA	British pound	CGB
Chile	JB	Chilean peso	CLP
China (Taiwan)	QQ	new Taiwan dollar	TWD
China, Peoples Rep.Of	QJ	yuan	CNY
Christmas Island	ET	Australian dollar	AUD
Cocos Island	EU	Australian dollar	AUD
Colombia	JD	Colombian peso	COP
Comoros	MX	Comoran franc	EMF
Congo, Democratic Republic of	MM	Congolese franc	CDF
Congo (Republic of)	MU	CFA franc	XOF
Cook Islands	EV	New Zealand dollar	NZD
Costa Rica	HF	Costa Rican colon	CRC
Croatia	CJ	kuna	HRK
Cuba	GJ	Cuban peso	CUP
Curacao (Netherlands Antillies)	GL	Netherlands Antillean guilder	ANG
Cyprus	DA	Cypriot pound	CYP
Czech Republic	CP	Czech koruna	CZK
Denmark	BE	Danish krone	DKK
Djibouti	NB	Djiboutian franc	DJF
Dominica	GR	East Caribbean Dollar	XCD
Dominican Republic	GF	Dominican peso	DOP
Ecuador	JF	U.S. Dollar	USD
Egypt	KE	Egyptian pound	EGP
El Salvador	HB	Salvadoran colon,	SVC,
England	AC	British pound	GBP
Equatorial Guinea	NC	CFA franc (BCEAO)	XOF
Eritrea	NK	nakfa	ERN
Estonia	RE	kroon	EEK
Ethiopia	MP	birr	ETB
European Currencies, Weighted Average Of	CZ	European Currencies, Weighted Average Of	XBA
European Currency Unit	CY	European Currency Unit	XEU

Falkland Islands	AZ	British pound	GBP
Faro Islands	CT	Danish krone	DKK
Fiji	EC	Fijian dollar	FJD
Finland	BR	Euro	CY
France	BF	Euro	EUR
French Guiana	JK	Euro	EUR
French Polynesia	EY	CFP Franc	XPF
Gabon	ND	CFA franc (BCEAO)	XOF
Gambia, The	LA	Dalasi	GMD
Georgia	RF	lari	GEL
Germany	BK	Euro	EUR
Ghana	LB	cedi	GHC
Gibraltar	DB	British pound	GBP
Grand Cayman Islands	GW	Caymanian Dollar	KYD
Greece	BN	Euro	EUR
Greenland	CS	Danish krone	DKK
Grenada	GQ	East Caribbean Dollar	XCD
Guam	RW	US dollar	USD
Guatemala	HD	quetzal	GTQ
Guinea	LN	Guinean franc	GNF
Guinea-Bissau	LP	CFA franc (BCEAO)	XOF
Guyana	JH	Guyanese dollar	GYD
Haiti	GK	gourde	HTG
Home Foreign- <i>United Kingdom</i>	AB		
Honduras	HC	Lempira	HNL
Hong Kong	QE	Hong Kong dollar	HKD
Hungary	CC	Hungarian forint	HUF
Iceland	BU	Icelandic krona	ISK
India	QB	India rupee	INR
Indonesia	QM	India rupiah	IDR
Iran	PB	Iranian rial	IRR
Iraq	PJ	Iraqi dinar	IQD
Irish Republic	BC	Euro	EUR
Isle Of Man	BB	British pound	GBP
Israel	PC	New Israeli shekel	ILS
Italy	BG	Euro	EUR
Ivory Coast	LH	CFA franc	XOF
Jamaica	GB	Jamaican dollar	JMD
Japan	QK	yen	JPY
Jordan	PL	Jordanian dinar	JOD
Kazakhstan	RG	tenge	KZT
Kenya	MA	Kenyan shilling	KES
Kiribati	ED	Australian dollar	AUD
Kirghizia (alternate name for Kyrgyzstan)	RV	Kyrgyzstani som	KGS
Korea, South	QR	North Korean won	KPW
Korea,North	QP	South Korean won	KRW
Kuwait	PD	Kuwaiti dinar	KWD
Kyrgyzstan	RV	Kyrgyzstani som	KGS

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

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

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

FORMS

[Forms 20A and 20 – 39 to follow]

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							
002	Total primary (direct) and facultative business							
003	Total treaty reinsurance accepted business							
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)							
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)							
160	Primary (direct) and facultative household and domestic all risks							
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)							
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)							
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)							
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)							
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)							
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)							

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

Instructions for completion of Form 20

1. Particulars of any amounts included at lines 16, 25 or 32 ('other technical income or charges') are required to be stated by way of a supplementary note (code 2005) to the form.

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

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 day month year			Units	Category number
		R21					£000	
Premiums receivable during the financial year		Gross premiums		Reinsurers'		Net of		
		Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5		
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
In respect of risks incepted in previous financial years		12						
In respect of risks incepted in this financial year	For periods of less than 12 months	13						
	For periods of 12 months	14						
	For periods of more than 12 months	15						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16						
Total (12 to 16)		19						

Instructions for completion of Form 21

1. Lines 13 to 15 of **Form 21** should include *premiums* actually received prior to the *financial year*, but relating to risks incepted in the *financial year* and exclude *premiums* received during the *financial year*, but relating to risks incepting after the end of the *financial year*. In **Forms 13** and **15** the accounting treatment adopted for *premiums* received in respect of risks incepting in future *financial years* should be the same as that adopted in the shareholder accounts, or, if there are no shareholder accounts, should be in accordance with generally accepted accounting practice. If this results in different amounts for the provision of unearned premium (either gross or the *reinsurers'* share) being shown in **Forms 13** or **15** as compared to **Form 21**, it would be appropriate to identify, and provide an explanation, of the difference in a supplementary note (code 2103) to the form.

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

FSA general insurance business reporting category

		Company registration number	GL/UK/CM	Period ended			Units	Category number
				day	month	year		
R22							£000	
			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

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		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 %
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
Month	Year		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													

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]
10. The percentages shown at columns 12 and 13 must be expressed as percentages to one place of decimals.
11. 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

FSA general insurance business reporting category

Company
registration
number

GL/UK/CM

Period ended
day month year

Units

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	51																					
	Adjustment for discounting	52																					
	Carried forward	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]
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

FSA general insurance business reporting category

Company
registration
number

GL/UK/CM

Period ended
day month year

Units

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
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 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]
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

Currency

Global business/UK branch business/EEA branch business

Financial year ended

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		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 %
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
Month	Year		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													

Name of insurer

Currency

Global business/UK branch business/EEA branch business

Financial year ended

FSA general insurance business reporting

[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]
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 "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 (accident year accounting) : Analysis of gross claims and premiums by category for treaty reinsurance

Name of insurer

Currency

Global business/UK branch business/EEA branch business

Financial year ended

FSA general insurance business reporting category

[illegible]

Currency

Financial year ended

FSA general insurance business reporting category

Company registration number	GL/UK/CM	Period ended			Monetary units	Category number	Currency
		day	month	year			
R27							

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. $27.29.5+27.29.6 = 22.11.3+22.15.3$; $27.29.7+27.29.8 = 22.11.1$;
 $27.29.10 = 22.31.3$; 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
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. 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

Currency

Global business/UK branch business/EEA branch business

Financial year ended

Company
registration
number

GL/UK/CM

Period ended
day month yearMonetary
unitsCategory
number

Currency

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	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

Currency

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			Monetary units		Category number		Currency		
		R28													
Underwriting year ended		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	51													
	Adjustment for discounting	52													
	Carried forward	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]
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 ending 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 "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**.

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

Name of insurer

Currency

Global business/UK branch business/EEA branch business

Financial year ended

FSA general insurance business reporting category

Financial year ended										Company registration number		GL/UK/CM		Period ended day month year			Monetary units		Category number		Currency				
FSA general insurance business reporting category										R29															
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 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																							

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

Name of insurer

Currency

Global business/UK branch business/EEA branch business

Financial year ended

FSA general insurance business reporting category

Underwriting year ended		Company registration number		GL/UK/CM		Period ended			Monetary units		Category Number		Currency		
		day	month	year	day	month	year	MM	YY	MM	YY	MM	YY	MM	YY
		R29													
		MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY
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 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 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]
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 "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 : Expected income and yield from admissible assets covering discounted provisions

Name of insurer

Global business/UK branch business/EEA branch business

Financial year ended

							Company registration number	GL/UK/CM	Period ended			Units	
							R30		day	month	year	£000	
Major currencies	Country code		Total admissible assets as shown on Form 13	Admissible assets hypothecated to cover the provision for outstanding claims being discounted	Expected income from assets included in column 2	Yield %	Technical provisions	Provision for outstanding claims being discounted		Unwind in the discount in the next financial year	Rates of interest at which the provision is being discounted		
								Before deduction for discounting	Deduction for discounting		Highest	Lowest	Average rate
			1	2	3	4	5	6	7	8	9	10	11
		11											
		12											
		13											
		14											
		15											
		16											
		17											
		18											
		19											
		20											
Other currencies		21											
Total		29											

General insurance business : Expected income and yield from admissible assets covering discounted provisions

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	
		R30					£000
Type of asset		Value of admissible assets as shown on Form 13	Admissible assets hypothecated to cover the provision for outstanding claims being discounted	Expected income from assets included in column 2		Yield %	
		1	2	3		4	
Land and buildings		31					
Fixed interest securities	Approved securities	32					
	Other	33					
Variable interest and variable yield securities (excluding items shown at line 36)	Approved securities	34					
	Other	35					
Equity shares and holdings in collective investment schemes		36					
Loans secured by mortgages		37					
All other assets	Producing income	38					
	Not producing income	39					
Total		49					

Instructions for completion of Form 30

1. The entry at-

30.31.1 must equal 13.11.1
30.32.1 must equal 13.45.1 + the appropriate part of 13.84.1
30.33.1 must equal 13.46.1 + the appropriate part of 13.84.1
30.34.1 must equal 13.47.1 + the appropriate part of 13.84.1
30.35.1 must equal 13.42.1 + 13.48.1 + the appropriate part of 13.84.1
30.36.1 must equal 13.41.1 + 13.43.1
30.37.1 must equal 13.50.1 + the appropriate part of 13.84.1
30.49.1 must equal 13.87.1 + 13.89.1 - 13.60.1 - 13.61.1 - 13.62.1 - 13.63.1 - 13.85.1.
2. The hypothecated assets shown in column 2 must not be less than (but need not equal) the provision for outstanding *claims* being discounted (column 6 less column 7 on sheet 1). Where specific assets are not hypothecated to cover the provision for outstanding *claims* being discounted, column 2 equals column 1.
3. The 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-
 - (i) the assets are held throughout that year, and
 - (ii) the factors which affect income remain unchanged but account is to be taken of any changes in those factors known to have occurred.
4. The yield in column 4 must be-
 - (i) for *securities* with a redemption value, the rate of interest which, when used to obtain a present value of expected future income or capital payments, gives the current asset value, and
 - (ii) for all other assets the ratio of the income included in column 3 to the value included in column 2,or where appropriate an average of the above weighted by reference to the values included in column 2.
5. The methods and assumptions used in determining the yield in accordance with instruction 4 must be stated by way of a supplementary note (code 3001) to this Form.
6. Where a particular asset is required to be taken into account only to a specified extent by the application of admissibility limits, the expected income and capital payments from that asset must be included only to the same extent.
7. The treatment of expected income payments from any asset where such payment is in default must be stated by way of a supplementary note (code 3002) to this Form.
8. In column 8 "Unwind in discount in the next *financial year*" refers to the expected reduction in the deduction for the discounting between-
 - (i) that shown at the end of the *financial year in question*, and

- (ii) that expected to be shown at the end of the next *financial year* but in respect of *claims* incurred prior to the end of the *financial year in question*.
- 9. Columns 4 and 9 to 11 must be expressed as a percentage to one place of decimals.
- 10. In the above instructions, income excludes capital gains or losses or value adjustments.
- 11. The discount rate in column 11 must be the average rate of interest at which the provisions are being discounted, weighted by the provisions contained in column 6.
- 12. The references in the Form to “outstanding claims” and “technical provisions” are to those amounts net of *reinsurance*

Accounting class

Currency

**Company
registration
number**

GL/UK/CM

Period ended
day month year

**Monetary
units**

Country

**Accounting
class**

R31

[illegible]

Currency

Reporting Territory

**Company
registration
number**

GL/UK/CM

Period ended
day month year

Monetary
units

Currency

Category
Number

FSA general insurance business reporting category

R31								
-----	--	--	--	--	--	--	--	--

[illegible]

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. Columns 10 and 11 need not be completed in respect of accident years ended before 23 December 1994.
6. The percentages shown at column 11 must be expressed as percentages to one place of decimals.
7. For *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.
10. Columns 1 and 2 need not be completed in respect of *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

FSA general insurance business reporting category

Company
registration
number

GL/UK/CM

Period ended
day month yearMonetary
unitsCategor
..**R32**

Accident year ended			Number of claims		Gross claims paid		Gross claims carried forward		Gross claims brought forward		Claims incurred (latest year) of developed (other years during this financial year (4+5+6-7-8))	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					
			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**.

General insurance business (accident year accounting) : Reconciliation of gross claims and premiums for direct insurance and

Name of

Global business/UK branch business/EEA branch

Financial year

		Company registration number	GL/UK/CM	Period ended day month year			Units	
		R33					£000	
Accounting		Claims paid in this financial year	Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance for this financial year (1+2+3-4-5)	Gross earned premiums
			Reported	Incurred but not reported	Reported	Incurred but not reported		
		1	2	3	4	5	6	7
Accident and	11							
Motor	12							
Aviation	13							
Marine	14							
Transport	15							
Property	16							
Third party	17							
Miscellaneous and pecuniary	18							

Instructions for completion of Form 33

1. All figures must be shown gross of the *reinsurers'* share and before any deduction for *discounting*.
2. All amounts shown must exclude *claims management costs*.
3. Only business accounted on an accident year basis but not reported on Forms 31 or 32 is to be included on this Form.
4. "Gross earned *premiums*" refers to all amounts reported in column 1 of lines 11 to 19 of Form 20, but only to the extent such *premiums* have not been reported in Forms 31 or 32.

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

Name of insurer

Currency

Global business/UK branch business/EEA branch business

Reporting Territory

Financial year ended

FSA general insurance reporting category

Company
registration
number

GL/UK/CM

Period ended
day month yearMonetary
units

Currency

Category
number

		R34									
Underwriting year ended			Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (2+3+4-5-6)	Gross premiums written	Claims ratio %
Month	Year		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
		11									
		12									
		13									
		14									
		15									
		16									
		17									
		18									
		19									
		20									
Prior underwriting years		21									
Total (11 to 21)		29									
Line 29 expressed in sterling		30									

Currency

Reporting Territory

Financial year ended

**Company
registration
number**

GL/UK/CM

Period ended		
day	month	year

Monetary
units

Currenc

Category
number

FSA general insurance business reporting category

R34								7
-----	--	--	--	--	--	--	--	---

[illegible]

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. Columns 8 and 9 need not be completed in respect of *financial years* ended before 23 December 1994.
6. The percentages shown at column 9 must be expressed as percentages to one place of decimals.
7. For 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 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 form the list in the Table in **Appendix 9.2 Paragraph 32**.

General insurance business (underwriting year accounting) : Reconciliation of gross claims and premiums for direct insurance and facultative reinsurance

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		
		R35					£000	
Accounting class		Gross claims paid in this financial year	Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance for this financial year (1+2+3-4-5)	Gross written premiums
			Reported	Incurred but not reported	Reported	Incurred but not reported		
		1	2	3	4	5	6	7
Accident and health	11							
Motor	12							
Aviation	13							
Marine	14							
Transport	15							
Property	16							
Third party liability	17							
Miscellaneous and pecuniary loss	18							

Instructions for completion of Form 35

1. All figures must be shown gross of the *reinsurers'* share and before any deduction for *discounting*.
2. All amounts shown must exclude *claims management costs*.
3. Only business accounted on an underwriting year basis but not reported on Form 34 must be included on this Form.
4. “Gross written *premiums*” refers to all amounts reported in column 99-99 of line 11 of Form 24, but only to the extent such *premiums* have not been reported in Form 34.

Global business/UK branch business/EEA branch business

Financial year ended

	Company registration number	GL/UK/CM	Period ended		
			day	month	year
R36					

[illegible]

Instructions for completion of Form 36

1. Where any of Forms 26 to 29 or 31, 32 or 34 contains a figure in a currency other than sterling the rate of conversion of those figures into sterling must be stated in column 1 to this Form.
2. Where the rate of conversion differs according to whether it applies to income and expenditure items, or asset and liability items, the former rate must be used.

Equalisation provisions

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		
		R37					£000	
		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non- proportional treaty)	All business	Credit insurance business
		1	2	3	4	5	6	7
Calculation of the maximum provision								
Total net premiums written in the previous 4 years	11							
Net premiums written in the current year	12							
Maximum provision	13							
Calculation of the transfer to/from the provision								
Equalisation provision brought forward	21							
Transfers in	22							
Total abnormal loss	23							
Provisional transfers out	24							
Excess of provisional transfer out over fund available	25							
Provisional amount carried forward (21+22-24+25)	26							
Excess, if any, of 26 over 13	27							
Equalisation provision carried forward (26-27)	28							
Transfer in/(out) for financial year (28-21)	29							

Instructions for completion of Form 37

1. Lines 11 & 12, columns 1 to 5, must include net written premium from Form 21 (accident year *insurance business*) and/or Form 24 (underwriting year *insurance business*) that in whole or in part covers each *insurance business grouping*.
2. Only premium for *financial years* covered by the scheme may be included in lines 11 & 12, columns 1 to 5 (see *PRU 7.5.20R*). Adjustments in respect of prior years must be included at line 12.
3. Any *insurance business* that has been transferred must be excluded from lines 11 & 12, columns 1 to 5 (see *PRU 7.5.32R* to *PRU 7.5.37G*).
4. Line 13, columns 1 to 5 must show the maximum provision for each *insurance business grouping* calculated in accordance with *PRU 7.5.24R*. If *insurance business* in a group has been written for less than 5 years, the average of the qualifying years must be used.
5. If all rights and obligations in an *insurance business grouping* have been transferred, line 13 columns 1 to 5 must be left blank at the appropriate column.
6. Line 22, columns 1 to 5 must be calculated by multiplying the figure at line 12 for each *insurance business grouping* by the % in *PRU 7.5.27R*.
7. Line 23 must be, for each *insurance business grouping*, the total of abnormal losses, if any, brought forward from Forms 38 and 39, line 19. These must be entered in the same columns as they were on Forms 38 and 39.
8. The transfer out for each *insurance business grouping* at line 24, columns 1 to 5 must not exceed the line 13 maximum provision for that group.
9. The sum of columns 1 to 5 of lines 13, 22 and 24 must be entered in column 6 of the relevant line.
10. In the first year of the scheme, line 21 column 6 must be left blank. In subsequent years this figure must be brought forward from the previous year's figure (normally the figure at Form 15, line 15). Only equalisation provisions required by the *rules* in *PRU 7.5.11R* to *PRU 7.5.37G* may be included.
11. The calculations for lines 25 to 29, column 6 must be carried out and the net transfer in or out for the year must be entered at Form 16, line 12, and the provision carried forward entered at Form 15, line 15.
12. Line 13, column 7 must be 150% of the highest annual amount of net premiums written in the last 5 years.
13. Line 21, column 7 must equal the statutory credit equalisation provision, if any, brought forward from the previous year at Form 15, line 14.
14. Line 22, column 7 must be 75% of the technical surplus, if any, brought forward from Forms 38 and/or 39, line 29, subject to a limit of 12% of line 12.
15. Line 24, column 7 must equal the technical deficit, if any, brought forward from Forms 38 and/or 39, line 29.

16. The calculations for lines 25 to 29, column 7 must be carried out and the net transfer in or out for the year must be entered at Form 16, line 12, and the provision carried forward entered at Form 15, line 14.

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	
		R38					£000
		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)	
		1	2	3	4	5	
Other than credit business							
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 Form 21 at line 11, column 5 and line 19, column 5, that in whole or in part covers the *insurance business grouping* (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 Form 22 at line 13 and 17 column 4, that in whole or in part covers the *insurance business grouping* (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 Form 21 for *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 only to *credit insurance business*.
7. The entry at line 22 must be the part of the amount that would appear on Form 22 for *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 only to *credit insurance business*.
8. The entry at line 23 must be the part of the amount that would appear on Form 22 for *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 only to *credit insurance business*.
9. The entry at line 24 must be the part of the amount that would appear on Form 22 for *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 only to *credit insurance business*.

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
				day	month	year	
		R39					£000
		Business grouping A (property) 1	Business grouping B (business interruption) 2	Business grouping C (marine and aviation) 3	Business grouping D (nuclear) 4	Business grouping E (non-proportional treaty) 5	
Other than credit business							
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 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).
3. The entries at line 12 must be that part of the amount that would appear on 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 Form 24 for *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 only to *credit insurance business*.
7. The entry at line 22 must be that part of the amount that would appear on Form 24 for *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 only to *credit insurance business*.
8. The entry at line 23 must be that part of the amount that would appear on Form 24 for *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 only to *credit insurance business*.
9. The entry at line 24 must be that part of the amount that would appear on Form 24 for *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 only to *credit insurance business*.

APPENDIX 9.3 (rules 9.14 and 9.23)

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

1. All the Forms included in the part of the *return* to which this Appendix relates (**Forms 40 to 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. Percentages must be shown to two decimal places.
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 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.

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 to follow]

Long term insurance business : Revenue account

Name of insurer

Total business / subfund

Financial year ended

Units

Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
day	month	year						
R40					£000			
					Financial year	Previous year		
					1	2		
Income								
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			
Total income					19			
Expenditure								
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			
Total expenditure					29			
Business transfers-in					31			
Business transfers-out					32			
Increase (decrease) in fund in financial year (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 entry at 40.21.1 must be equal to 42.46, and
the entry at 40.22.1 must be equal to 43.46
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 the value
3. Line 14 must include all gains and losses in respect of *linked asset*.
4. Any item of income which cannot properly be allocated to lines 11, 12, 13 or 14 must be entered at line 15, and similarly, any item of expenditure which cannot properly be allocated to lines 21, 22, 23 or 24 must be entered 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.
5. Where an *insurer* decides to allocate to the *long-term insurance business* the whole or any part of investment income 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 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.
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.
9. The entry at line 12 must exclude value re-adjustments on investments and gains on the realisation of investments, which must be shown at lines 13 or 14 as appropriate.
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.
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].
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].

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].
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].
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].
17. Details of any *material connected-party transactions* as required under rule 9.39 must be stated in a supplementary note [Code 4009].

Long-term insurance business: Analysis of premiums**Form 41**

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
Gross						
Regular premiums	11					
Single premiums	12					
Reinsurance - external						
Regular premiums	13					
Single premiums	14					
Reinsurance - intra-group						
Regular premiums	15					
Single premiums	16					
Net of reinsurance						
Regular premiums	17					
Single premiums	18					
Total						
Gross	19					
Reinsurance	20					
Net	21					

Instructions for completion of Form 41

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.

Long-term insurance business: Analysis of claims
Form 42

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
Gross						
Death or disability lump sums	11					
Disability periodic payments	12					
Surrender or partial surrender	13					
Annuity payments	14					
Lump sums on maturity	15					
Total	16					
Reinsurance - external						
Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
Total	26					
Reinsurance - intra-group						
Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
Total	36					
Net of reinsurance						
Death or disability lump sums	41					
Disability periodic payments	42					
Surrender or partial surrender	43					
Annuity payments	44					
Lump sums on maturity	45					
Total	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 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.

Long-term insurance business: Analysis of expenses
Form 43

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
Gross						
Commission - acquisition	11					
Commission - other	12					
Management - acquisition	13					
Management - maintenance	14					
Management - other	15					
Total	16					
Reinsurance - external						
Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					
Reinsurance - intra-group						
Commission - acquisition	31					
Commission - other	32					
Management - acquisition	32					
Management - maintenance	34					
Management - other	35					
Total	36					
Net of reinsurance						
Commission - acquisition	41					
Commission - other	42					
Management - acquisition	43					
Management - maintenance	44					
Management - other	45					
Total	46					

Instructions for completion of Form 43

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.

Long-term insurance business: Linked funds balance sheet**Form 44**

Name of insurer

Total business / subfund

Financial year ended

Units

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

Instructions for completion of Form 44

1. Double counting of items arising from cross investment between *internal linked funds* must be eliminated.
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: revenue account for internal linked funds
Form 45

Name of insurer
 Total business / subfund
 Financial year ended
 Units

		Financial year	Previous year
		1	2
Income			
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		
Total income	19		
Expenditure			
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		
Total expenditure	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. 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.

APPENDIX 9.4 (rule 9.31)

ABSTRACT OF VALUATION REPORT (FORMS 46 TO 60)

All the Forms included in the part of the *return* to which this Appendix relates (**Forms 46 to 49, 51 to 58 and 60**) are to be laid out as shown in the Appendix, except that the instructions to Forms need not be reproduced.

For the purposes of this Appendix -

- (a) the **report period** means the period from the date to which the previous investigation under rule 9.4 or its predecessor legislation related to the 'valuation date' (as defined in 1);
- (b) the provisions of paragraph 1(2) and paragraphs 3 to 7 of **Appendix 9.1** and paragraph 3 of **Appendix 9.3** must, unless otherwise provided, apply; and
- (c) references to **Form 57** are to either of the versions of that Form set out in this Appendix and an *insurer* is free to use either version; and
- (d) boxes marked 'UK/OS' must be completed by the insertion of 'UK' for 'UK contracts' and 'OS' for 'overseas contracts'.

All amounts in the Forms must be shown in sterling to the nearer £1,000 except valuation unit prices which must be shown to the level used in the valuation. Yields must be shown as percentages to two decimal places.

The following information must be given, the answers being numbered to accord with the numbers of the corresponding paragraphs of this Appendix.

- 1. The date to which the actuarial investigation relates namely, the **valuation date**.
- 2. The date to which the previous investigation under rule 9.4 related.
- 3. A statement that the valuation has been made in conformity with *PRU 7.3.10R* or where this was not the case, such qualification, amplification or explanation as necessary.
- 4. (1) Subject to (2), for each category of *non-linked contract* which -

- (a) comprises *accumulating with-profits policies*, a full description of the benefits, including -
 - (i) the circumstances in which, and the method by which, an adjustment to the identifiable current benefit attributable to a *policy* could be made on the payment of any *claim*, including by full or partial surrender, or upon the determination of the amount of any charges deducted under the *policy* together with a description of the *insurer's* policy and past practice in this regard,
 - (ii) where the discounted value of the liability in respect of current benefits including vested bonuses shown in column 12 of **Form 52** is less than the full amount of the current benefit shown in column 11 and the discounted value assumes the exercise of any discretionary adjustments of the type referred to in (a)(i), a general description of such adjustments made during the 'report period',
 - (iii) any guaranteed investment returns or bonus rates,
 - (iv) any guaranteed surrender values, and
 - (v) any material options;
- (b) comprises *policies* (other than those included in (a)) which provide for benefits to be determined on the basis of interest accrued (at a rate to be determined from time to time) in respect of premiums paid, a full description of the benefits, including -
 - (i) the method used to calculate surrender values,
 - (ii) any guaranteed investment returns,
 - (iii) rates of interest applied during the 'report period',
 - (iv) any guaranteed surrender values, and
 - (v) any material options;
- (c) does not fall within (a) or (b), and which is not sufficiently described by the entry in column 1 of **Form 51**, a full description of the benefits, including any premium rate guarantees and material options.

- (2) Information required under (1) need not be provided for any category of contract -
 - (a) where no contracts were effected by the *insurer* during the ‘report period’; and
 - (b) which has been included in **Form 51** or **Form 52** under the miscellaneous headings specified in instruction 8 (vi) or 8 (x) to **Forms 51, 52, 53 and 54**.
5. (1) Subject to (3), for each category of *linked contract* -
- (a) the name given to that category;
 - (b) the type of contract, classified according to the categories set out in instructions 3 to 8 of the instructions for completion of Forms 51, 52, 53 and 54;
 - (c) a statement of the frequency of premiums;
 - (d) a brief description of the benefits under the contract, including any eligibility to participate in profits, any guarantees and any material options;
 - (e) details of any guaranteed investment returns;
 - (f) a description of the way in which the *insurer* recovers out of *policies* its costs (including acquisition expenses and commission, renewal expenses and commission and the costs attributable to the provision of *policy* benefits). Where the *policy* provides for the allocation of units, the annual rate of any management charges must be given. Where the amount of premiums deemed to be invested after allowing for the effect of any charges is greater than the amount of the premiums, an explanation must be given;
 - (g) details of any restrictions on increases in charges;
 - (h) the method used to calculate surrender or transfer values;
 - (i) whether benefits are (or may be) determined (whether wholly or in part) by reference to the value of an *internal linked fund*, or to the value of assets or an index. Where the link is to the value of assets or an index, those assets or that index must be specified and details of the relationship between their value and benefits payable to *policy holders* must be given;

- (j) a brief description of any other features of the contract not disclosed above which are material to the method and basis of valuation;
- (k) whether the contract was open to new business in the year to the 'valuation date'; and
- (l) any increases in the rates of charges applied generally to contracts during the 'report period', including charges for the provision of *policy* benefits met by the cancellation of units nationally allocated to contracts,

but where the terms and conditions and the method and basis for determining the amount of the *long-term insurance business liabilities* are not materially different for a number of categories of contract, only one description need be given pursuant to this paragraph, provided that the name of each such category is given in the *insurer's* response to (a).

- (2) For each category of *linked contract* which contains a with-profits option, the information required by 4(1)(a) must also be given.
- (3) Information required under (1)(a) to (k) and (2) need not be provided for any category of contract -
 - (a) where no contracts were effected by the *insurer* during the 'report period'; and
 - (b) which has been included under the miscellaneous heading in **Form 53** or **54**.
- (4) A description of the method, or if there is more than one method of the methods and the types of unit to which each applies, used for the creation and cancellation of units in internal linked funds and determining unit prices for the allocation of units to, and the cancellation of units from, policies.
- (5) A description of the method, or if there is more than one method 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 or percentages of these gains deducted or provided for during the 'report period'.
- (6) Wherever units of the type referred to in paragraph 5 of Part I of **Appendix 3.2** are held by 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.

6. (1) The general principles and methods adopted in the valuation, including specific reference to the following -
 - (a) the method by which account has been taken of *derivative contracts* or contracts or assets having the effect of *derivative contracts* in the determination of the amount of the *long-term insurance business liabilities*;
 - (b) the method by which due regard has been given to the duty to treat *customers* fairly, as required by *PRU 7.3.10R(6)*, and by which account has been taken of the custom and practice of the insurer in the manner and timing of the distribution of profits or the grant of discretionary additions over the duration of each *policy*, as required by *PRU 7.3.10R(5)*.
 - (c) where the net premium method has been used, whether and to what extent it has been modified, for what purposes any such modification has been made and whether any modifications on account of *zillmerising* conform to *PRU 7.3.43R*;
 - (d) whether any negative reserves arose and the steps taken to ensure that no *contract of insurance* was treated as an asset, as required by *PRU 7.3.24R*;
 - (e) whether any specific reserve has been made for future bonuses and, if so, at what rate or rates;
 - (f) the basis of the provision made for any prospective liability to taxation on unrealised capital gains;
 - (g) in the case of *linked contracts* and contracts falling within 4(1)(a) and (b), the basis of the reserve made for any investment performance guarantees; and
 - (h) the basis of the reserve made for any guarantees and options (other than investment performance guarantees included in (g)).
- (2) For the purposes of this paragraph, where, in determining the provisions referred to in (f) or the reserves referred to in 7(7) or (8), account has been taken of the fact that the fund has been brought into **Form 58** at book value in accordance with rule 4.1(6), that fact must be stated.
7. (1) Unless shown in **Forms 51, 52, 53 and 54**, the rates of interest and tables of mortality and morbidity assumed in the valuation of each category of contract.

- (2) If the tables used have not been published, full details of the rates of mortality or morbidity used.
- (3) A general description of how the tables of mortality and morbidity assumed in the valuation of the various categories of contract have regard to the State of the *commitment*.
- (4) Details of any allowance made for future reductions in the rates of mortality in the tables of mortality assumed in the valuation of annuity contracts.
- (5) 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 and morbidity experience of the company in the tables of mortality and morbidity assumed in the valuation of contracts.
- (6) A statement of the most onerous scenario under *PRU 4.2.16R* for assets invested in the *United Kingdom* and other assets that fall under *PRU 4.2.16R* for the purposes of calculating the resilience capital requirement in *PRU 4.2.10R*.
- (7) A statement of the most onerous scenario under *PRU 4.2.23R* for each significant territory in which assets are invested outside the *United Kingdom* for the purposes of calculating the resilience capital requirement in *PRU 4.2.10R*.
- (8) 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**.
- (9) A general description of how the rates of interest assumed in the valuation of the various categories of contract with liabilities denominated in currencies other than sterling have taken into account the currency of the liabilities.

8. In respect of *non-linked contracts* -

- (a) where appropriate, the proportion of the office premiums explicitly or implicitly reserved for expenses and profits for each type of insurance (as shown in column 8 of **Form 51** or column 10 of **Form 52**);
- (b) the method by which a reserve has been made for expenses after premiums have ceased or where no future premiums are payable or where the method of valuation does not take credit for future premiums as an asset;
- (c) where a prospective method of valuation has not been used, details of the tests made of the adequacy of the method used;
- (d) where, in valuing contracts falling within the circumstances described in *PRU 7.3.38R*, future premiums brought into account are not in accordance with that rule, such additional information as is necessary to demonstrate whether the *mathematical reserves* determined in the aggregate for each of the main categories of contract are greater than an amount for each such category calculated in accordance with *PRU 7.3.24R* to *PRU 7.3.91G*,

except that where the *mathematical reserves* (after deduction of *reinsurance cessions*) determined in the aggregate for all categories of contracts referred to in (d) represent less than 5% of the total *mathematical reserves* (after deduction of *reinsurance cessions*) for all *non-linked contracts*, it is sufficient for the actuary to state that the *mathematical reserves* for each such category of contracts are not less than the *mathematical reserves* that would be determined on a net premium reserving basis which, in that case, must be specified by the actuary in the abstract.

9. For each category of *linked contract* -

- (a) all assumptions made in calculating the valuation net liability in columns 12 and 13 of **Forms 53** and **54**; and
- (b) 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 in testing the adequacy of the reserves to satisfy *PRU 7.3.50R*.

10. (1) The assumed levels of inflation of expenses and the bases used in the valuation to allow for such future inflation.

- (2) The aggregate amount, grossed up for taxation where appropriate, arising during the 12 months after the 'valuation date' from implicit and explicit reserves made in the valuation to meet expenses in fulfilling contracts in force at the 'valuation date', and a general description of the sources of such amounts.
 - (3) The method and basis of calculation of the requirement (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.
 - (4) The method and basis of calculation of the requirement (whether or not a reserve is required) to provide for the costs of closure to new business, if the *insurer* were to cease to transact new business 12 months after the 'valuation date' and the amount of the reserve so calculated.
11. (1) A schedule 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 such liabilities.
- (2) In the schedule required by (1), liabilities totalling up to 2% of the total required to be analysed may be grouped together as 'other currencies', and the assets matching those liabilities need not be analysed provided that the proportion of such liabilities which are matched by assets in the same currency is stated.
12. (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) For each treaty of *reinsurance* where the *insurer* is the *cedant* and under which business is in force at the 'valuation date' -

- (a) the name of the *reinsurer*;
 - (b) whether the *reinsurer* is authorised to carry on *insurance business* in the United Kingdom;
 - (c) whether the *reinsurer* is a *connected company* of the *insurer*;
 - (d) an indication of the nature and extent of the cover given under the treaty, including a description of any material contingencies, such as credit risk or legal risk, to which the treaty is subject;
 - (e) the premiums payable by the *insurer* under the treaty during the ‘report period’;
 - (f) the amount deposited at the ‘valuation date’ in respect of the treaty under any *deposit back arrangements*;
 - (g) 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
 - (h) whether the treaty is closed to new business.
- (3) For each ‘financing arrangement’ -
- (a) the amount of any undischarged obligation of the *insurer* and a brief description of the conditions for the discharge of such obligation; and
 - (b) 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*.
- (4) In this paragraph -
- (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 13 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.
13. (1) Subject to (2), for each *with-profits fund*¹, except where such information is provided elsewhere in the *return* –
- (a) a revenue account in the format of **Form 40** with a supplementary note stating the amount, if any, of investment income relating to *linked assets* included in line 12; and
 - (b) a statement of liabilities and margins in the format of **Form 14** 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*.
- (2) Where the amount (or part of the amount) of any increase or decrease in *non-linked assets* has yet to be allocated between *with-profits funds* or between one or more *with-profits funds* and other purposes, the information required by (1)(b) in aggregate for that amount or part amount, with a supplementary note which:
- (a) identifies the *with-profits funds* to which the information relates;
 - (b) provides the information in lines 11 to 49 of **Form 14** separately in respect of each *with-profits fund*; and
 - (c) without prejudice to 14(2), describes 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.
14. (1) The principles on which the distribution of profits among *policy holders* and shareholders is based as described in any or all of the following documents –
- (a) the constitution of the *insurer*;

¹ *With-profits fund* includes subfunds (whether notional or real).

- (b) board resolutions of the *insurer*;
 - (c) any policy issued by the *insurer*;
 - (d) any advertisement issued by or on behalf of the *insurer*;
 - (e) any document required to be issued by the *FSA* or any regulatory body recognised under the *Act*; and
 - (f) any other relevant document.
- (2) For each *with-profits fund*, a description of the *insurer's* policy and (insofar as it may be relevant to *policy holders'* reasonable expectations) its past practice as to:
- (a) how the *with-profits fund* is defined, which assets, liabilities, income and expense are allocated to it and how the amounts of such assets, liabilities, income and expense are determined;
 - (b) whether any non-profits *insurance business*, or any profit on it, is attributed to the *with-profits fund* and, if so, the nature and volume of such business;
 - (c) how assets within the *with-profits fund* are invested;
 - (d) the level of surplus or free reserves to be maintained in the *with-profits fund*; and
 - (e) the relationship between the performance of the *with-profits fund* and discretionary benefits allocated to *policy holders* including:
 - (i) whether an asset share methodology, or equivalent methodology, is used or is to be used and, if so, how asset shares are calculated (including whether and how investment income, increases or decreases in the value of investments or other assets, expenses, miscellaneous surpluses and deficits, taxation and other items of income and expense are attributed to asset shares) and how they relate to the benefits actually allocated to *policy holders*,
 - (ii) an indication of how, under different scenarios as to the performance of the fund, discretionary benefits are to be smoothed from period to period,

- (iii) the pattern of allocation of discretionary benefits over the life of a *with-profits policy*, including the balance between annual and terminal bonuses and how *policies* are treated on surrender or on the exercise of options under the contract,
 - (iv) how fairness is maintained between different categories of *policy* and different categories of *policy holder* and between *policy holders* collectively and the *insurer* itself, and
 - (v) any other factors which are material to the allocation of discretionary benefits to *policy holders*; and
- (f) the principles followed by the *insurer* in setting actual proportions of profits distributed to *policy holders* and shareholders.
- (3) A description of the methods used in order to ensure that the aims described in (2) are achieved.
- (4) Subject to (5), if different principles or bonus policies apply to different categories of *with-profits policies* issued by the *insurer*, the information in (1) to (3) must be given in respect of each category.
- (5) Categories of *with-profits policies* which, apart from this paragraph 14(5), would require separate information in accordance with (4) need only be listed under this paragraph 14(5), and the information in (1) to (3) need not be supplied, provided that -
 - (a) the aggregate amount of *established surplus* allocated to *policy holders* in all such categories is less than 10% of the aggregate amount of *established surplus* allocated to all *policy holders* (as reported at line 46 of **Form 58**);
 - (b) the amount of *established surplus* allocated to *policy holders* in any one such category is less than 5% of the aggregate amount of *established surplus* allocated to all *policy holders* (as reported at line 46 of **Form 58**); and
 - (c) none of the categories was introduced during the ‘report period’.
- 15. (1) Particulars of the bonus allocated to each category of contract, including the basis of calculation and the circumstances and the form in which the bonus is payable, together with -
 - (a) where the rates of bonus allocated depend on the original term of the contract or on the period of years a contract has been in force,

specimen rates at 5 year intervals of original term or duration, as the case may be;

- (b) where the rates of bonus allocated depend on the age of the life assured, specimen rates at 10 year intervals of age;
- (c) where the rates of bonus allocated depend on the date of each previous premium payment, specimen rates at 5 year intervals of time since the premium was paid, and for premiums paid in each of the 5 years ending with the report period; and
- (d) in all other cases, full details of the rates of bonus allocated,

but where the rates of bonus allocated depend on a formula or a series of formulae, then the formula or formulae must be listed instead of the specimen rates, and wherever appropriate, rates of bonus must be expressed as a fraction of the attribute of the contract to which they are related, e.g. as rates per £1,000 of the sum assured and existing bonuses.

- (2) Information required under (1) need not be provided for any category of contract -
 - (a) where, no contracts were effected by the *insurer* during the 'report period'; and
 - (b) which has been included under the miscellaneous heading in **Forms 51, 52, 53 and 54.**

16. A statement of the practice regarding any bonus payments (in addition to those for which the *insurer* has become contractually liable) to be made on *claims* arising in the period up to the next *actuarial investigation*, including the basis of calculation and the form in which the bonus is payable, together with -

- (a) where the rates of bonus depend on the original term of the contract or on the period of years a contract has been in force, specimen rates at 5 year intervals of original term or duration, as the case may be;
- (b) where the rates of bonus depend on the age of the life assured, specimen rates at 10 year intervals of age;
- (c) where the rates of bonus depend on the date of each previous premium payment, specimen rates at 5 year intervals of time since the premium was paid, and for premiums paid in each of the 5 years ending with the report period; and

(d) in all other cases, full details of the rates of bonus,

but where the rates of bonus depend on a formula or a series of formulae, then the formula or formulae must be listed instead of the specimen rates, and wherever appropriate, rates of bonus are to be expressed as a fraction of the attribute of the contract to which they are related, e.g. as rates per £1,000 of the sum assured and existing bonuses.

17. Separate statements in the form set out in **Forms 46** and **46A** summarising changes in ordinary *long-term insurance business* and *industrial insurance business* for all non-group contracts. For group contracts only the number of contracts in force at the end of the 'report period' must be given in a supplementary note to the appropriate statement.
18. Separate statements in the form set out in **Forms 47** and **47A** showing an analysis of new *ordinary long-term insurance business* and *industrial insurance business*.
19.
 - (1) Separate statements of *long-term insurance business assets* (other than assets held to match *property linked* or *index linked liabilities*) in the form set out in **Forms 48** and **49** in respect of each fund or group of funds for which separate assets are appropriated.
 - (2) A brief description of the extent to which any of the amounts recorded in **Form 48** would be changed if assets which the *insurer* had a right or obligation to acquire or dispose of under *derivative contracts* or contracts having the effect of *derivative contracts* outstanding at the end of the *financial year* (being, in the case of *options*, only those *options* which it would have been prudent to assume would be exercised) had been so acquired or disposed of.
 - (3) A brief description of how different the information provided pursuant to (2) would have been if such *options* as were outstanding at the end of the year had been exercised in such a way as to change the amounts referred to in that paragraph to the maximum extent.
 - (4) A brief description of how different the information provided pursuant to (2) and (3) would have been if, instead of applying to contracts outstanding at the end of the *financial year*, those provisions had applied to *derivative contracts* outstanding at such other time during the *financial year* as would have changed the amounts referred to in those provisions to the maximum extent.
20.
 - (1) Separate statements in the form set out in **Forms 51, 52, 53** and **54** and separate analyses of unit liabilities in the form set out in **Forms 55** and **56** in

respect of each separate fund or part of a fund for which a surplus is determined under rule 9.4.

- (2) The analyses of unit liabilities must also include the liabilities in respect of any amounts deposited with the *insurer* under a *deposit back arrangement* which are either unit liabilities in respect of *property linked benefits* or investment liabilities in respect of *index linked benefits*.
 - (3) In the event that the liability for a specific fund link is wholly reinsured so that entries in columns 8 and 9 of **Form 55** are omitted in accordance with paragraph 7 of the instructions for the completion of that form a statement, if such be the case, to the effect that the provisions of *PRU 4.2.57R* have been complied with in accordance with any published guidance in relation to the liabilities so reinsured.
21. (1) Separate statements in the form set out in **Form 57** for each fund or group of funds for which separate assets are appropriated in respect of all *long-term insurance business liabilities* except -
- (a) unit liabilities in respect of *property linked benefits* as shown in column 12 of **Form 53**;
 - (b) investment liabilities in respect of *index linked benefits* as shown in column 12 of **Form 54**;
 - (c) any reserve in respect of provisions made for tax on unrealised capital gains in arriving at the valuation price of *internal linked funds*; and
 - (d) the liabilities in respect of any amounts deposited with the *insurer* under a *deposit back arrangement* which are either unit liabilities in respect of *property linked benefits* or investment liabilities in respect of *index linked benefits*.
- (2) A general description of the method by which the yield on assets other than equity *shares* and land was adjusted in accordance with *PRU 4.2.41R*.
- (3) For assets which are equity *shares* or land, a description of the categories into which such assets were divided for the purposes of *PRU 4.2.33R*, together with the method and basis by which the yield on such assets was adjusted in accordance with that rule.
22. Separate statements of the results of the valuation in the form set out in **Form 58** in respect of each separate fund or part of a fund for which a surplus is determined under rule 9.4.

23. (1) A statement of the *long term insurance capital requirement* in the form set out in **Form 60**.
- (2) If the gross annual office premiums for *Class IV* business and supplementary accident and sickness insurance in force on the 'valuation date' do not exceed 1% of the gross annual office premiums in force on that date for all *long-term insurance business*, **Forms 11** and **12** need not be completed as long as it can be stated that the entry in line 51 of **Form 60** exceeds the amount that would be obtained if **Forms 11** and **12** were to be completed. In this circumstance, the method of estimating the entry in line 51 of **Form 60**, together with a statement of the gross annual office premiums in force at the 'valuation date' in respect of *Class IV* business and supplementary accident and sickness insurance, must be given.

FORMS

[**Forms 46 – 60** to follow]

Long-term insurance business: Summary of new business

Form 46

Name of insurer
Total business
Financial year ended
Units

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

Instructions for completion of Form 46

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.

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. Information must be shown separately for each type of *insurance business* in the sequence specified below:
 - (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.
2. The information must be shown separately within each type of *insurance business* in the sequence specified below:
 - (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').
3. Information must be further divided by product code as follows:

Code	Product description
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
190	Group conventional pensions endowment with-profits - increments
195	Annuity with-profits (PLA)
200	Annuity with-profits (CPA)
205	Miscellaneous conventional with-profits
210	Additional reserves with-profits OB
215	Additional reserves with-profits IB
300	Regular premium non-profit WL/EA OB
305	Single premium non-profit WL/EA OB
310	Non-profit IB
315	Individual deposit administration non-profit
320	Group deposit administration non-profit
325	Level term assurance
330	Decreasing term assurance
335	Decreasing term assurance (rider benefits)

340	Accelerated critical illness (guaranteed premiums)
345	Accelerated critical illness (reviewable premiums)
350	Stand-alone critical illness (guaranteed premiums)
355	Stand-alone critical illness (reviewable premiums)
360	Income protection non-profit (guaranteed premiums)
365	Income protection non-profit (reviewable premiums)
370	Long-term care policy
375	Protection menu policy
380	Miscellaneous protection rider
385	Income protection claims in payment
390	Deferred annuity non-profit
395	Annuity non-profit (PLA)
400	Annuity non-profit (CPA)
405	Annuity non-profit (CPA impaired life)
410	Group Life
415	Collective Life
420	Group income protection
425	Group income protection claims in payment
430	Group critical illness
435	Miscellaneous non-profit
440	Additional reserves non-profit OB
445	Additional reserves non-profit IB
500	Life UWP single premium
505	Life UWP whole life regular premium
510	Life UWP endowment regular premium - savings
515	Life UWP endowment regular premium – target cash
520	Holloway member accounts
525	Individual pensions UWP
530	Individual pensions UWP - increments
535	Group money purchase pensions UWP
540	Group money purchase pensions UWP - increments
545	Individual deposit administration with-profits
550	Individual deposit administration with-profits - increments
555	Group deposit administration with-profits
560	Group deposit administration with-profits - increments
565	DWP National Insurance rebates UWP
570	Income drawdown UWP
575	Miscellaneous UWP
580	Term assurance rider
585	Accelerated critical illness rider
590	Stand-alone critical illness rider
595	Income protection rider
600	Income protection claims in payment
605	Miscellaneous protection rider
610	Additional reserves UWP
700	Life property linked single premium
705	Life property linked single premium quasi index linked
710	Life property linked whole life regular premium
715	Life property linked endowment regular premium - savings
720	Life property linked endowment regular premium – target cash

725	Individual pensions property linked
730	Individual pensions property linked - increments
735	Group money purchase pensions property linked
740	Group money purchase pensions property linked - increments
745	DWP National Insurance rebates property linked
750	Income drawdown property linked
755	Trustee investment plan
760	Small self administered schemes
765	Group managed fund
770	Term assurance rider
775	Accelerated critical illness rider
780	Stand-alone critical illness rider
785	Income protection rider
790	Miscellaneous protection rider
795	Miscellaneous property linked
800	Additional reserves property linked
900	Life index linked single premium
905	Index linked annuity
910	Miscellaneous index linked
915	Additional reserves index linked

4. There may be more than one line for the same *product code* within a type and source of business to identify specific brands.
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.

Long-term insurance business: Non-linked assets

Form 48

Name of insurer
Total business / subfund
Financial year ended
Units

		Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
		1	2	3	4	5
Assets backing non-profit liabilities and non-profit required minimum margin						
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					
Total	19					
Assets backing with-profits liabilities						
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					
Total	29					
Overall return on with-profits assets						
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. 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.
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 (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 PRU 4.2.41R and PRU 4.2.44R.

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.
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.
10. 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 13 and 14, the yields to be inserted in column 3 for other categories of asset must be the running yields determined in accordance with PRU 4.2.33R to PRU 4.3.34R before any allowance for tax required by PRU 4.2.29R. The entries at 48.19.3 and 48.29.3 must be the weighted average of the yields in column 4, where the weight given to each asset is the value of that asset applicable for entry into column 2. Assets not producing income must be included in the calculation.
11. Where the yield in column 4 for a type of asset shown at line 18 or 28 is significantly different from the weighted average of the yields for each asset of that type determined in accordance with RU 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.
12. Where an entry at 13.87.1 has resulted from excess *exposure* to a *counterparty* or *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.
13. To the extent that 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 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.
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 RU 4.2.28R, 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.

Long-term insurance business: Fixed and variable interest assets
Form 49

Name of insurer
 Total business / subfund
 Financial year ended
 Unit

		Value of assets	Mean term	Yield before adjustment	Yield after adjustment
		1	2	3	4
Government bonds	11				
Other approved fixed interest securities	21				
Other fixed interest securities					
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				
Total other fixed interest securities	39				
Approved variable interest securities	41				
Other variable interest securities	51				
Total (11+21+39+41+51)	61				

Instructions for completion of Form 49

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 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.

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
Gross						
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					
Total	18					
Reinsurance - external						
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					
Total	28					
Reinsurance - intra-group						
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					
Total	38					
Net of reinsurance						
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					
Total	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 31 to 37.

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.

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

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

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

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

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

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

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.
2. Information must be shown separately for each type of *insurance business* for each of the following:
 - (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

3. Subject to 10, the information must be shown separately for each source of business for each type of *insurance business* in the sequence specified below:
 - (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. 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.

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. 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: index linked business**Form 56**

Name of insurer
Total business / subfund
Financial year ended
Units

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

Instructions for completion of Form 56

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.
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.
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*.
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.
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.
6. Any provision for "reasonably foreseeable adverse variations" must be determined in accordance with 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.

Long-term insurance business – analysis of valuation interest rate

Name of insurer

Financial year ended

Category of surplus

Company registration number	GL/ UK/ CM	day	month	year	units	Category of surplus	
R57					£000		
Product group				Net mathematical reserves	Net valuation interest rate	Gross valuation interest rate	Risk adjusted yield on matching assets
1				2	3	4	5
Total					n/a	n/a	n/a

Instructions for completion of Form 57

1. This Form must be completed for each separate fund or part of a fund for which a surplus is determined where *mathematical reserves* for non-linked business exceed £100m. 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 the code numbers consistent with Forms 51-54.
2. Separate lines are required for UK and overseas liabilities, for life assurance and annuity business, pension business, permanent health business and other business and for with-profits and non-profit business.
3. Separate lines are required for each separate asset mix determined by the notional allocation of assets to contracts.
4. Separate lines are required for each valuation interest rate.
5. The product group in column 1 must be a narrative description of the products included in the line sufficient to give an easy cross reference to Forms 51-54, e.g. 'UK L&GA WP Form 51 assurances'.
6. The *mathematical reserves* in column 2 must include any increase in reserves resulting from the bonus declaration for the year and must be net of *reinsurance ceded*.
7. Up to 10% of the total relevant liabilities for the fund may be shown in a line labelled 'Misc' in column 1. In this case columns 3 and 4 must be 'n/a'. The relevant liabilities are the total *mathematical reserves* including cost of bonus plus any deposit back, less property linked unit liabilities and index linked investment liabilities.
8. The risk adjusted yield in column 5 must allow for the adjustments from *PRU* 4.2.41R.

Long-term insurance business: distribution of surplus **Form 58**

Name of insurer
 Total business / subfund
 Financial year ended
 Units

[Deleted]			
		<u>Financial year</u>	<u>Previous year</u>
		<u>1</u>	<u>2</u>
Valuation result			
Fund carried forward	11		
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15		
Mathematical reserves	21		
Surplus including contingency and other reserves held towards the solvency margin (deficiency) (15-21)	29		
Composition of surplus			
Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34		
Total	39		
Distribution of surplus			
Bonus paid in anticipation of a surplus	41		
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		
Surplus carried forward	49		
Total (48+49)	59		
Percentage of distributed surplus allocated to policyholders			
Current year	61		
Current year 1	62		
Current year 2	63		
Current year	64		

Instructions for completion of Form 58

1. Separate Forms must be completed in respect of each separate fund or part of a fund for which a surplus is determined.
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.
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 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* 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 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.
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 either 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).
7. Where the entry at line 14 or line 33 represents more than one transaction, each transfer must be separately identified in a supplementary note.
8. Line 61 is line 46 expressed as a percentage of line 48.
9. For each fund/part of fund, the entry at line 21 must equal the total liabilities shown at line 48 in column 4 of Form 50,
10. The figure at lines 39 and 59 must equal the figure at line 29.
11. The figure at line 47 must equal the figure at line 15

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 1st 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.

Long term insurance capital requirement

Form 60

Name of insurer

Global business / UK branch / EEA branch

Financial year ended

		Company registration number	GL/ UK/ CM	day	month	year	units
R60							£000
		LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
		1	2	3	4	5	6
Insurance death risk capital component							
Classes I, II and IX	11	0.1%					
Classes I, II and IX	12	0.15%					
Classes I, II and IX	13	0.3%					
Classes III, VII and VIII	14	0.3%					
Total	15						
Insurance health risk capital component							
Class IV and supplementary classes 1 and 2	21						
Insurance expense risk capital component							
Classes I, II and IX	31	1%					
Classes III, VII and VIII (investment risk)	32	1%					
Classes III, VII and VIII (expenses fixed 5 yrs +)	33	1%					
Classes III, VII and VIII (other)	34	25%					
Class IV	35	1%					
Class V	36	1%					
Class VI	37	1%					
Total	38						
Insurance market risk capital component							
Classes I, II and IX	41	3%					
Classes III, VII and VIII (investment risk)	42	3%					
Classes III, VII and VIII (expenses fixed 5 yrs +)	43	0%					
Classes III, VII and VIII (other)	44	0%					
Class IV	45	3%					
Class V	46	0%					
Class VI	47	3%					
Total	48						
Long term insurance capital requirement	51						

Instructions for completion of Form 60

1. The *insurance death risk capital component* in lines 11-14 column 5 is based on capital at risk for those contracts where it is not negative. Capital at risk is the benefit payable as a result of death less the *mathematical reserves* after distribution of surplus. Business in classes I, II and IX must be split between lines 11, 12 and 13 in accordance with *PRU 7.2.82R*. Line 11 is for temporary insurance on death where the original term of the contract is 3 years or less or for a *pure reinsurer*. Line 12 is for temporary insurance where the original term is 5 years or less but more than 3 years. Line 13 is for other *class I, II or IX* business. For a *pure reinsurer* the factor of 0.3% in column 1 of line 14 should be replaced by 0.1%.
2. In lines 11-14 columns 2 and 3 are the gross and net capital at risk in accordance with *PRU 7.2.83R*. For lines 11-13 the reinsurance factor is calculated in aggregate, so column 4 is the sum of lines 11-13 column 3 divided by the sum of lines 11-13 column 2, subject to a minimum of 0.5 in accordance with *PRU 7.2.81R*. For line 14 column 4 is column 3 divided by column 2, subject to a minimum of 0.5 in accordance with *PRU 7.2.81R*. Column 5 is column 1 x column 2 x column 4.
3. The *insurance health risk capital component* in line 21 column 5 must be equal to the entry at line 43 in Form 12 for *long-term insurance business*.
4. For the purpose of calculating the *insurance expense risk capital component* and the *insurance market risk capital component* linked contracts should be allocated to:
 - lines 32 and 42 where the *firm* bears an investment risk,
 - lines 33 and 43 where the *firm* does not bear an investment risk but where the allocation to cover *management expenses* is fixed for a period exceeding 5 years from the commencement of the contract, and
 - lines 34 and 44, otherwise.
5. The *insurance expense risk capital component* for linked contracts where the *firm* bears no investment risk and the allocation to cover *management expenses* does not have a fixed upper limit for a period exceeding 5 years from the commencement of the contract in line 34 is 25% of net *administrative expenses* in accordance with *PRU 7.2.88R(1)*.
6. The *insurance expense risk capital component* for *class V* in line 36 column 5 is 1% of the assets of the tontine in accordance with *PRU 7.2.88R(2)*.
7. The *insurance expense risk capital component* for other business in lines 31, 32, 33, 35 and 37 column 5 is 1% of adjusted *mathematical reserves* after distribution of surplus in accordance with *PRU 7.2.88R(3)*. Column 4 is column 3 divided by column 2, subject to a minimum of 85% (50% for a pure reinsurer) in accordance with *PRU 7.2.90R*. Column 5 is column 1 x column 2 x column 4.
8. The *insurance market risk capital component* in lines 43 and 44 column 5 for class III, VII and VIII contracts where the *firm* does not bear any investment risk and in line 45 for class V contracts is nil in accordance with *PRU 7.2.89R*.
9. The *insurance market risk capital component* in line 41, 42, 45 and 47 column 5 is 3% of adjusted *mathematical reserves* after distribution of surplus in accordance with *PRU 7.2.89R*. Column 4 is column 3 divided by column 2 subject to a minimum of 85% (50% for a pure reinsurer) in accordance with *PRU 7.2.90R*. Column 5 is column 1 x column 2 x column 4.
10. The *long term insurance capital requirement* in line 51 column 5 is the sum of column 5 in lines 15, 21, 38 and 48.
11. For *financial years* starting before 1 January 2005 lines 11 to 48 of column 6 must be blank.

APPENDIX 9.4 (rule 9.31)

ABSTRACT OF VALUATION REPORT

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

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 categories* and if only part of a *risk category* is covered, a description of that part;
 - ...
- ...
4. (1) For each *risk category*, 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 *risk categories*, or parts thereof, of the *insurance business* carried on by the *insurer* whether or not the *insurer* has purchased any *reinsurance* cover for that *risk category*, or part thereof, and in (2) deciding upon the *reinsurance* cover includes deciding not to obtain any *reinsurance* cover.
5. For each *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* the amount of the *reinsurers'* share of *gross premiums* must be stated.

APPENDIX 9.6 (rules 9.34 and 9.35)

CERTIFICATE BY DIRECTORS AND REPORT OF THE AUDITORS

Part I

Certificate by directors

1. (1) Subject to 3, the certificate required by rule 9.34 must state -
 - (a) that the *return* has been properly prepared in accordance with the requirements in *IPRU(INS)* and *PRU*; and
 - (b) that the *directors* are satisfied that:
 - (i) throughout the *financial year in question*, the *insurer* has complied in all material respects with the requirements in *SYSC* and *PRIN* as well as the provisions of *IPRU(INS)* and *PRU*; and
 - (ii) it is reasonable to believe that the *insurer* has continued so to comply subsequently, and will continue so to comply in future.
- (2) An *insurer* does not comply in all material respects with the requirements specified in (1)(b) if it commits a breach of any of those requirements which is significant, having regard to the potential financial loss to *policyholders* or to the *insurer*, frequency of the breach, implications for the *insurer's* systems and controls and if there were any delays in identifying or rectifying the breach.
2. Subject to 3, if the *insurer* carries on *long-term insurance business*, the certificate required by rule 9.34 must also state that -
 - (a) in the *directors'* opinion, *premiums* for contracts entered into during the *financial year* and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the *insurer* that are available for the purpose, to enable the *insurer* to meet its obligations in respect of those contracts and, in particular, to establish adequate *mathematical reserves*;
 - (b) the sum of the *mathematical reserves* and the deposits received from *reinsurers* as shown in **Form 14**, together with any amount specified at line 63 of **Form 14** (being part of the excess of the value of the *admissible assets* representing the *long-term insurance funds* over the

amount of those funds shown in **Form 14**), constitute proper provision at the end of the *financial year in question* for the *long-term insurance business liabilities* (including all liabilities arising from *deposit back arrangements*, but excluding other liabilities which had fallen due before the end of the *financial year*) including any increase in those liabilities arising from a distribution of surplus as a result of an *actuarial investigation* as at that date into the financial condition of the *long-term insurance business*;

- (c) the *with-profits fund* has been managed in accordance with the *Principles and Practices of Financial Management*, as established, maintained and recorded under COB 6.10; and
 - (d) the *directors* have, in preparing the *return*, taken and paid due regard to-
 - (i) advice in preparing the *return* from every *actuary* appointed by the *insurer* to perform the *actuarial function* in accordance with SUP 4.3.13R; and
 - (ii) if applicable, advice from every *actuary* appointed by the *insurer* to perform the *with-profits actuary function* in accordance with SUP 4.3.16R.
3. (1) Where, in the opinion of those signing the certificate, the circumstances are such that any of the statements required by 1 and 2 cannot truthfully be made, the relevant statements must be omitted.
- (2) Where, by virtue of (1), any statements have been omitted from the certificate, this fact, and the reasons for omission, must be stated in a note to the certificate.

Part II

Auditor's report

4. The report required by rule 9.35 must, in addition to any statement required under rule 9.35, state:
- (a) whether, in the auditor's opinion:

- (i) the documents referred to in rules 9.12, 9.13 and 9.14, together with **Forms 40 to 45, 48, 49, 56, 58 and 60** and the statements, analyses and reports annexed pursuant to rules 9.24 to 9.27, 9.29 and 9.31 have been properly prepared in accordance with the *Accounts and Statements Rules* and *PRU*; and
 - (ii) the methods and assumptions determined by the *insurer* and used to perform the *actuarial investigation* (as set out in the valuation reports) appropriately reflect the requirements of *PRU* 7.3 and *PRU* 7.4.
- (b) that, in accordance with rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be audited under rule 9.35(1) contains amounts or information abstracted from the *actuarial investigation* performed pursuant to rule 9.4, the auditor has obtained and paid due regard to advice from a suitably qualified *actuary* who is independent of the *insurer*.

5. [deleted]

6. [deleted]

7. [deleted]

8. [deleted]

9. [deleted]

10. [deleted]

11. [deleted]

12. Where the auditors refer in their report or in any note attached to it to any uncertainty, the report must state whether, in the auditors' opinion, that uncertainty is material to determining whether the *insurer* has available assets in excess of its *capital resources requirement*.

APPENDIX 9.7 (rule 9.37)

**INSURANCE STATISTICS: OTHER EEA STATES
(FORMS 91 TO 94)**

The statements to be provided under rules 9.37 and 9.38 must be given in the form set out in **Forms 91 to 94**.

General insurance business : Analysis of financial particulars - branches

Name of insurer

EEA State in which branch is situated

		Company registration number		Calendar year ended day month year			Units	EEA State in which branch is situated
F91				31	12		£000	
Groups of Classes								Total (1+2+3+4+5+6+7 +8)
Accident and sickness 1	Land vehicles, goods in transit and motor vehicle liability (carrier's liability only) 2	Motor vehicle liability (excluding carrier's liability) 3	Fire and other damage to property 4	Aviation, marine and transport 5	General liability 6	Credit and suretyship 7	Other classes 8	

Income

Gross premiums written	11								
Other technical income (net of reinsurance)	12								
Total (11+12)	19								

Expenditure

Commission payable in calendar year	21								
Gross claims paid in calendar year	22								
Total (21+22)	29								

Instruction for completion of Form 91

1. The box described as "EEA State in which branch is situated" must be completed by inserting the appropriate Code from the *FSA* list of "Country Codes".

General insurance business : Analysis of financial particulars - provision of services

Name of insurer

EEA State in which risk is situated

		Company registration number	Calendar year ended			Units	EEA State in which risk is situated
			day	month	year		
		F92	31	12		£000	
Groups of Classes							
Accident and sickness	Land vehicles, goods in transit and motor vehicle liability (carrier's liability only)	Motor vehicle liability (excluding carrier's liability)	Fire and other damage to property	Aviation, marine and transport	General liability	Credit and suretyship	Other classes
1	2	3	4	5	6	7	8
Gross premiums written in calendar year	11						
Cost of gross claims paid in calendar year	12						
Cost of gross commission attributable to premiums shown at line 11	13						

Instructions for completion of Form 92

1. The box described as "EEA State in which risk is situated" must be completed by inserting the appropriate Code from the *FSA* list of "Country Codes".
2. Gross commission attributable equals gross commission paid in the *financial year in question* plus gross commission brought forward less gross commission carried forward.

Form 93

Long term insurance business : Analysis of financial particulars - branches

Name of insurer

EEA State in which risk is situated

Company
registration
numberCalendar year ended
day month year

Units

EEA State
in which branch
is situated

F93

31

12

£000

Authorisation classes

I Life and annuity	II Marriage and birth	III Linked long term	IV Permanent health	V Tontines	VI Capital redemption	VII Pension fund management	VIII Collective insurance etc.	IX Social insurance	Total (1+2+3+4+5+ 6+7+8+9)
1	2	3	4	5	6	7	8	9	10

Income

Gross premiums written	11									
Net income from investments	12									
Other technical income net of reinsurance	13									
Total (11+12+13)	19									

Expenditure

Claims paid, gross amount	21									
Change in provision for claims and mathematical reserves, gross amount	22									
Bonuses	23									
Management expenses	24									
	25									
Total (21+22+23+24+25)	29									

Instructions for completion of Form 93

1. The box described as "EEA State in which branch is situated" must be completed by inserting the appropriate Code from the *FSA* list of "Country Codes".
2. The headings used in this Form are taken from the Companies Act 1985 (Insurance Companies Accounts) Regulations 1993 (S.I. 1993/3246).

Long term insurance business : Analysis of financial particulars - provision of services

Name of insurer

EEA State of commitment

Company registration number	Calendar year ended			Units	EEA State of commitment
	day	month	year		
F94	31	12		£000	

Authorisation classes								
I Life and annuity 1	II Marriage and birth 2	III Linked long term 3	IV Permanent health 4	V Tontines 5	VI Capital redemption 6	VII Pension fund management 7	VIII Collective insurance etc. 8	IX Social insurance 9

Gross premiums receivable for services business in calendar year	11								
--	----	--	--	--	--	--	--	--	--

Instruction for completion of Form 94

1. The box described as "*EEA State of commitment*" must be completed by inserting the appropriate Code from the *FSA* list of "Country Codes".

APPENDIX 9.8 (rule 9.36A)

MARINE MUTUALS: ITEMS TO BE DISREGARDED, DIRECTORS' CERTIFICATES AND AUDITORS REPORTS

Part 1

Items to be disregarded

1. In completing the Forms required under rule 9.36A, a *marine mutual* must disregard *reinsurance* arrangements with any *relevant company* and must treat income and expenditure and assets and liabilities of any *relevant company* as, respectively, income and expenditure and assets and liabilities of the *marine mutual*.

Part II

Directors' certificates

2. Subject to 4, every *return* provided by a *marine mutual* under rule 9.36A must include a certificate signed by the persons required by rule 9.33 to sign the documents to which the certificate relates –
 - (a) confirming that –
 - (i) the *return* has been prepared in accordance with the requirements in *IPRU(INS)* and *PRU*,
 - (ii) the *directors* are satisfied that throughout the *financial year in question*, the *marine mutual* has complied in all material respects with the requirements in *SYSC* and *PRIN* as well as the provisions of *IPRU(INS)* and *PRU*, and that it is reasonable to believe that the *marine mutual* has continued so to comply subsequently, and will continue so to comply in future,
 - (iii) each member of the *marine mutual* which is subject to them has accepted those parts of the *marine mutual's* rules which oblige members to pay their share of any supplementary calls for the year and of calls to meet the *minimum capital requirement* (including any sum needed to make good failure by other members to pay calls made on them), and

- (iv) the *marine mutual* is empowered to make supplementary calls on its members which, if met, would produce sufficient assets to meet the *minimum capital requirement*; and
- (b) giving information about the number of –
 - (i) members of the *marine mutual* which are not reinsured members,
 - (ii) fixed premium members (on which supplementary calls may not be made),
 - (iii) reinsured members (that is, members whose *contract of insurance* with the *marine mutual* is a contract of *reinsurance*), and
 - (iv) the tonnage of shipping attributable to each of the above classes of members, taken separately, and covered by the *marine mutual* at the end of the *financial year in question*.
- 3. [deleted]
- 4.
 - (1) Where, in the opinion of the *directors*, the circumstances are such that any of the matters specified in 2 cannot be confirmed or provided, the relevant statements or information must be omitted.
 - (2) Where any statements or information have been omitted from the certificate in accordance with (1), this fact, and the reasons for omission, must be explained in a note to the certificate.

Part III

Auditor's reports

- 5. Every *marine mutual* must procure an auditor's report, pursuant to *SUP*, stating whether, in the auditors' opinion –
 - (a) the Forms, information and statements required have been properly prepared in accordance with the *Accounts and Statements Rules*; and
 - (b) where the auditors refer in their report or in any note to any uncertainty, that uncertainty is material to determining whether the

marine mutual has *available assets* in excess of its *capital resources* requirement.

Forms M1 to M5 follow

Form M1

Marine mutuals : Revenue account

Name of insurer

Financial year ended

		Company registration number	Period ended			Units (See instruction 1)	
			day	month	year		
		M1					
			This financial year 1	Previous year 2	Source		
Income	Gross income from contributions etc	11					
	Reinsurance premiums paid	12					
	Net income from contributions and premiums	13					
	Investments	Income before tax	14				
		Value re-adjustments on investments	15				
		Gains on realisation of investments	16				
	Other income	17			See instruction 2		
Total (13 to 17)	19						
Expenditure	Claims paid	21					
	Reinsurance recoveries received	22					
	Net claims paid (21-22)	23					
	Claims outstanding carried forward	24					
	Claims outstanding brought forward	25					
	Increase (decrease) in claims outstanding (24-25)	26					
	Unexpended contributions and unearned premiums (if any) and any amounts set aside for unexpired risks carried forward	27			See instruction 3		
	Unexpended contributions and unearned premiums (if any) and any amounts set aside for unexpired risks brought forward	28			See instruction 3		
	Increase (decrease) in unexpended contributions and unearned premiums (if any) and any additional amounts set aside for unexpired risks (27-28)	29			See instruction 3		
	Administrative expenses	30					
	Acquisition costs including commission	31					
	Taxation	32					
	Other expenditure	33			See instruction 4		
	Total (23+26+29 to 33)	39					
Surplus/deficit of income over expenditure (19-39)		49					

Instructions for completion of Form M1

1. Units must in £, £000, US\$, or US\$000 as appropriate.
2. Particulars of other income shown in line 17 must be stated in a supplementary note.
3. Unexpended contributions, unearned premiums, etc shown in lines 27, 28 or 29 must be recorded net of *reinsurance* and deferred acquisition costs.
4. Particulars of other expenditure shown in line 33 must be stated in a supplementary note.

Form M2

Marine mutuals : Statement of assets and liabilities

Name of insurer

Financial year ended

	Company registration number	Period ended			Units (See instruction 1)
		day	month	year	
	M2				
		As at the end of the financial year 1	As at the end of the previous financial year 2	Source	
				Form	Line

Column

ASSETS

Admissible assets	11			M3 . 89
Calls approved by the Board but unmade at the end of the financial year	12			
Total (11+12)	19			

LIABILITIES

Unexpended contributions and unearned premiums and any additional amounts set aside for unexpired risks, gross of reinsurance and deferred acquisition costs	21			See instruction 2
Gross provision for outstanding claims	22			See instruction 3
Creditors	23			
Taxation	24			
Other liabilities	25			See instruction 4
Total (21 to 25)	29			

Instructions for completion of Form M2

1. Units must be the same as those used in Form M1.
2. The amount shown at line 21 must equal the sum of M1.27+M3.60+M3.62+M3.85.
3. The amount shown at line 22 must equal the sum of M4.29.8+M4.29.9 for all marine *classes*.
4. Details of the amount shown in line 25 must be stated in a supplementary note.
5. The amounts shown at line 32 must not exceed 50% of the amounts shown at line 34.

Marine mutuals : Analysis of admissible assets

Name of insurer

Financial year ended

			Company registration number	Period ended			Units (See instruction 1)
				day	month	year	
			M3				
Investments				As at the end of this financial year 1		As at the end of the previous year 2	
Land and buildings				11			
Investments in group undertakings and participating interests	UK insurance dependants	Shares	21				
		Debt securities issued by, and loans to, dependants	22				
	Other insurance dependants	Shares	23				
		Debt securities issued by, and loans to, dependants	24				
	Non-insurance dependants	Shares	25				
		Debt securities issued by, and loans to, dependants	26				
	Other group undertakings and participating interests	Shares	27				
		Debt securities issued by, and loans to, group undertaking	28				
Participating interests		29					
Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest		30					
Total sheet 1 (11 to 30)				39			

Marine mutuals : Analysis of admissible assets

Name of company

Financial year ended

			Company registration number	Period ended			Units (See instruction 1)
			day	month	year		
			M3				
Investments (continued)				As at the end of this financial year 1		As at the end of the previous year 2	
Deposits with ceding undertakings							
Assets held to cover linked liabilities							
Other financial investments	Equity shares		41				
	Other shares and other variable yield securities		42				
	Holdings in collective investment schemes		43				
	Rights under derivative contracts		44				
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45			
			Other	46			
		Variable interest	Approved securities	47			
			Other	48			
	Participation in investment pools		49				
	Loans secured by mortgages		50				
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51			
		Loans secured by policies of insurance issued by the company		52			
		Other		53			
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54			
		Withdrawal subject to a time restriction of more than one month		55			
Other		56					
Deposits with ceding undertakings			57				
Assets held to match linked liabilities	Index linked		58				
	Property linked		59				
Reinsurers' share of technical provisions	Provision for unearned premiums		60				
	Claims outstanding		61				
	Provision for unexpired risks		62				
	Other		63				
Total sheet 2 (41 to 63)			69				

Marine mutuals : Analysis of admissible assets

Name of insurer

Financial year ended

		Company registration number	Period ended			Units (See instruction 1)
			day	month	year	
		M3				
Debtors						
Other assets						
			As at the end of this financial year 1		As at the end of the previous year 2	
Debtors arising out of direct insurance operations	Policyholders	71				
	Intermediaries	72				
Salvage and subrogation recoveries		73				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted	74				
	Due from reinsurers and intermediaries under reinsurance contracts ceded	75				
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year	76			
		Due more than 12 months after the end of the financial year	77			
	Other	Due in 12 months or less after the end of the financial year	78			
		Due more than 12 months after the end of the financial year	79			
Tangible assets		80				
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities	81				
	Cash in hand	82				
Other assets (particulars to be specified by way of supplementary note)		83				
Prepayments and accrued income	Accrued interest and rent	84				
	Deferred acquisition costs	85				
	Other prepayments and accrued income	86				
Deductions (under Rules 4.14(2)(b) and 4.14(3) [Regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994]) from the aggregate value of assets		87				
Total sheet 3 (71 to 86 less 87)		88				
Grand total of admissible assets (39+69+88)		89				

Reconciliation to asset values determined in accordance with the
shareholder accounts rules

Total admissible assets (as per line 89 above)	91		
Total assets in excess of the admissibility limits of Appendix 4.2 [Schedule 12 of the Insurance Companies Regulations 1994], (as valued in accordance with those [Rules] before applying admissibility limits)	92		
Solvency margin deduction for insurance dependants	93		
Other differences in the valuation of assets (other than for assets not valued above)	94		
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)	95		
Total assets determined in accordance with the shareholder accounts rules (91 to 95)	99		
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance	100		

Instructions for completion of Form M3

1. Units must be the same as those used in Form M1.
2. In lines 11 to 85 -
 - (a) for the purpose of classifying (but not valuing) assets, headings and descriptions used above, wherever they also occur in the balance sheet format in the *insurance accounts rules*, have the same meaning as in those rules,
 - (b) assets must be valued in accordance with rule 9.10; and
 - (c) assets of any particular description must be shown after deduction of assets of that description which (for any reason) fall to be left out of account under rule 4.14(2).
3. The aggregate value of those investments which are:
 - (a) *unlisted* investments falling within any of lines 41, 42, 46 or 48 which have been valued in accordance with rule 4.8;
 - (b) *listed* investments falling within any of lines 41, 42, 46 or 48 which have been valued in accordance with rule 4.8 and which are not *readily realisable*;
 - (c) units or other beneficial interests in *collective investment schemes* falling within paragraph (c) of rule 4.9(1); or
 - (d) reversionary interests or remainders in property other than land or buildings, must be stated by way of a supplementary note to this Form, together with a description of such investments.
4. The aggregate value of those investments falling within lines 46 or 48 which are *hybrid securities* must be stated by way of a supplementary note to this Form.
5. Amounts in respect of salvage or subrogation included above other than at line 73 must be stated by way of a supplementary note to this Form.
6. In line 93 "Solvency margin deduction for insurance *dependants*" refers to deductions under rule 4.3(2)(c).
7. In line 95 "Assets of a type not valued above" refers to assets left out of account under rule 4.1(3).

Form M4

Marine mutuals : Annual analysis of calls, premiums and claims

Name of insurer

Financial year ended

Company
registration
numberPeriod ended
day month year

Class code

Units
(See instruction 2)Marine class
(See instruction 1)

M4					
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Policy year ended			Calls made/refunded in financial year	Anticipated future calls/refunds	Reinsurance premiums paid/payable in financial year	Outstanding net claims reserve b/f (including IBNR)	Net payments made in financial year	Outstanding net claims reserve c/f (including IBNR)	Gross payments made in financial year	Estimate of gross payments remaining on reported claims	Estimate of gross payments for IBNR claims
Month	Year		1	2	3	4	5	6	7	8	9
		11									
		12									
		13									
		14									
		15									
		16									
		17									
		18									
		19									
		20									
		21									
		22									
		23									
		24									
		25									
Prior years		26									
Totals (11 to 26)		29									

Instructions for completion of Form M4

1. Separate Forms must be completed for each *class* of *insurance business*. The relevant description below must be entered against the 'Marine class' heading and the corresponding *class* code entered in the M4 box.

<u>Code</u>	<u>Description</u>
01	Protection and Indemnity
02	Hull and Machinery
03	Freight Demurrage and Defence
04	War risks
05	Strikes
06	Other - nature of business to be detailed in a supplementary note.

2. Units must be the same as those used in Form M1.
3. The *financial year in question* must be stated at line 11 and *preceding financial years* must be listed in reverse chronological order in lines 12 to 25.

Marine mutuals : Analysis of derivative contracts

Name of insurer

Financial year ended

Company
registration
numberPeriod ended
day month yearUnits
(See instruction 1)

M5

Derivative contracts			As at the end of this financial year	As at the end of the previous year		
			Assets 1	Liabilities 2	Assets 3	Liabilities 4
Futures contracts	Fixed-interest securities	11				
	Equity shares	12				
	Land	13				
	Currencies	14				
	Other	15				
Options	Fixed-interest securities	21				
	Equity shares	22				
	Land	23				
	Currencies	24				
	Other	25				
Contracts for differences	Fixed-interest securities	31				
	Equity shares	32				
	Land	33				
	Currencies	34				
	Other	35				
Adjustments for variation margin		41				
Total (11 to 41)		49				

Instructions for completion of Form M5

1. Units must be the same as those used in Form M1.
2. *Derivative contracts* must be analysed according to the description of assets shown in the second column of Form M5 which represents the principal subject of the contract.
3. *Derivative contracts* must be reported as assets in column 1 of Form M5 if their value to the *marine mutual* (gross of *variation margin*) is positive and as liabilities in column 2 of Form M5 if their value to the *marine mutual* (gross of *variation margin*) is negative.
4. All amounts included at lines 11 to 35 of Form M5 in respect of *derivative contracts* are to be determined without making any allowance for *variation margin*.
5. Amounts in respect of a *derivative contract* may only be included net of amounts in respect of any other *derivative contract* if -
 - (a) obligations of the *marine mutual* under the contracts may be set off against each other under generally accepted accounting practice; and
 - (b) such other contract has the effect (in whole or in part) of closing out the obligations of the *marine mutual* under the first mentioned contract.
6. The effect of any *variation margin* upon amounts included at lines 11 to 35 of Form M5 must be shown at line 41.
7. The entry at M5.49.1 must be shown at M3.44.1.
8. The entry at M5.49.2 must be included at M2.23.1.
9. Rights to recover assets transferred by way of *initial margin* must not be shown on Form M5.

APPENDIX 9.9 (rule 9.40 to guidance 9.43)

GROUP CAPITAL ADEQUACY

(Form 95)

This appendix contains guidance as to how the report to be provided under rule 9.40 may be set out.

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

Form 95

INSURANCE GROUP CAPITAL ADEQUACY (page 1)

Name of reporting insurance firm:

Name of insurance parent undertaking:

Calculation of Consolidated Position:

Limits on capital (see notes)

			£'000	
1. TIER 1				
Group core tier one	Sum of column G1 (page 4)			H1
Group perpetual non-cumulative preference shares	Sum of column G2 (page 4)			H2
Group innovative tier one	Sum of column G3 (page 4)			H3
Deductions from tier one	Sum of column C (page 2)			H4
2. Total group tier one capital	= H1 + H2 + H3 – H4	Limits 1, 2 & 3		TT1
3. TIER 2				
Group upper tier two	Sum of column G4 (page 4)			H5
Group lower tier two	Sum of column G5 (page 4)			H6
4. Total group tier two capital	= H5 + H6	Limits 4 & 5		TT2
5.				
6. Group capital resources before deductions	= TT1 + TT2	Limit 6		TCR
Total group capital resources deductions	Sum of column D1 & D2 (page 2)			H7
Group capital resources:	= TCR – H7			GCR
Group capital resources requirement:	Sum of column B (page 2)			GCCR
Group surplus/ (deficit)	= GCR – GCCR			I

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

INSURANCE GROUP CAPITAL ADEQUACY (page 2)

Name of reporting insurance firm:
Name of insurance parent undertaking:

A	A1	A2	B	C	D1	D2
Name of related undertaking	% interest	Type of firm	CRR	Deductions from Tier 1	Inadmissible assets	Ancillary services undertakings deduction

Related undertaking 1						
Related undertaking 2						
Related undertaking 3						

Parent:

Totals:

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

Name of reporting insurance firm:
Name of insurance parent undertaking:

A Name of related undertaking	E1	E2	E3	E4	E5	F1	F2	F3	F4	F5
	Group's investment in the capital resources of related undertaking					Components of the capital resources of related undertakings				
	Core tier 1	Perpetual non-cumulative preference shares	Innovative tier 1	Upper tier 2	Lower tier 2	Core tier 1	Perpetual non-cumulative preference shares	Innovative tier 1	Upper tier 2	Lower tier 2
Related undertaking 1										
Related undertaking 2										
Related undertaking 3										

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

INSURANCE GROUP CAPITAL ADEQUACY (page 4)

Name of reporting insurance firm:

Name of insurance parent undertaking:

A
Name of related undertaking

Related undertaking 1

Related undertaking 2

Related undertaking 3

Parent's Capital Resources (by class of capital)

Totals

G1	G2	G3	G4	G5
Net Contribution to Group Capital Resources				
Core tier 1	Perpetual non-cumulative preference shares	Innovative tier 1	Upper tier 2	Lower tier 2
=F1-E1	=F2-E2	=F3-E3	=F4-E4	=F5-E5

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

Insurance Group Capital Adequacy

<i>Ref</i>	<i>Instructions</i>
A (pages 2, 3 & 4)	<p>List the name of each <i>related undertaking</i> of the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking</i> (as applicable) which is a <i>regulated related undertaking</i> or an <i>ancillary services undertaking</i>.</p> <p>Pursuant to <i>PRU</i> 8.3.18R to 8.3.22R, several entities may be combined where these are not material in relation to the <i>insurance group</i>. The <i>firm</i> should list the relevant entities in a note to the return and should be able to demonstrate the contribution of the individual entities to the group calculation.</p>
A1 (page 2)	<p>List the percentage interest in the <i>regulated related undertaking</i> listed in A held by the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking</i> (as applicable).</p> <p>For the purposes of calculating the percentage interest in accordance with <i>PRU</i> 8.3.28R and 8.2.29R, if the interest is not held directly by the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking</i> but by another member of the <i>insurance group</i>, enter the effective percentage interest of the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking</i> in that <i>undertaking</i> (e.g. where a <i>parent</i> has a 50% holding in a <i>subsidiary</i> which in turn has a 50% holding in another <i>subsidiary</i>, the ultimate <i>parent undertaking's</i> effective percentage interest in the second <i>subsidiary</i> is 25% etc.).</p> <p>Where the entity is a <i>subsidiary</i> of a <i>subsidiary</i> of the <i>parent undertaking</i> (etc.), indicate (S) after the effective percentage interest. Such an entity should be treated as a <i>subsidiary</i> of the <i>parent undertaking</i> and will be included in the calculations in proportion to the <i>parent undertaking's</i> effective percentage interest (or in full if there is a capital resources deficit) (see <i>PRU</i> 8.3.30R and 8.3.31R).</p>

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

<i>Ref</i>	<i>Instructions</i>
A2 (page 2)	<p>State if the <i>related undertaking</i> listed in A is a <i>regulated insurance entity, pure reinsurer, insurance undertaking</i> that is not a <i>regulated insurance entity, insurance holding company, investment firm, credit institution, financial institution</i> which is not either a <i>credit institution or investment firm, financial holding company, asset management company or ancillary services undertaking</i>.</p> <p>For <i>related undertakings</i> which are <i>ancillary services undertakings</i> entries should only be made in this column and column D2 on page 2.</p>
B (page 2)	State the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking's</i> share (i.e multiplied by the percentage in A1) of the <i>individual capital resources requirement</i> of the <i>regulated related undertaking</i> , or the full amount if there is a capital resources deficit. This is the requirement set out in <i>PRU 8.3.34R</i> .
C (page 2)	State the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking's</i> share (or the full amount if there is a capital resources deficit) of the <i>regulated related undertaking's</i> Tier 1 deductions calculated under the <i>sectoral rules</i> that apply to it.
D1 (page 2)	State the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking's</i> share (or the full amount if there is a capital resources deficit) of any inadmissible assets held by the <i>regulated related undertaking</i> (see <i>PRU 8.3.60R</i>)
D2 (page 2)	This column should be completed only for <i>related undertakings</i> which are <i>ancillary services undertakings</i> . The entry is the higher of: the book value of the direct or indirect investment by the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking</i> in the <i>ancillary services undertaking</i> ; and the <i>ancillary services undertaking's</i> notional capital resources requirement (see <i>PRU 8.3.62R</i> to <i>8.3.64R</i>)

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

<i>Ref</i>	<i>Instructions</i>
E1 E2 E3 E4 E5 (page 3)	<p>The entries in E1 to E5 should be the book value of the investments of all members of the <i>insurance group</i> in the <i>solo capital resources</i> of each <i>regulated related undertaking</i> listed in A (this represents internal group holdings of the <i>solo capital resources</i> of each <i>regulated related undertaking</i> to be excluded from <i>group capital resources</i> under <i>PRU</i> 8.3.49R, 8.3.51R, 8.3.54R, 8.3.56R and 8.3.58R).</p> <p>The book value of the group's investment in <i>core tier one capital resources</i>* should be shown in E1; investments in perpetual non-cumulative <i>preference shares</i>* should be shown in E2; and investments in <i>innovative tier 1 capital resources</i>* should be shown in E3.</p> <p>The book value of the group's investment in <i>tier two capital resources</i> should be shown in E4 (<i>upper tier two capital resources</i>*) and E5 (<i>lower tier two capital resources</i>*).</p> <p>[* these terms should be applied in accordance with <i>PRU</i> 8.3.37R to the <i>undertaking</i> in question].</p>
F1 F2 F3 F4 F5 (page 3)	<p>The entries in F1 to F5 should be the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking's</i> share (or the full amount if there is a capital resources deficit) of the components of the <i>solo capital resources</i> of the <i>regulated related undertaking</i> (see <i>PRU</i> 8.3.48R(2), 8.3.50R(2), 8.3.53R(2), 8.3.55R(2) and 8.3.57R(2)).</p>

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

<i>Ref</i>	<i>Instructions</i>
G1 G2 G3 G4 G5 (page 4)	<p>These entries represent the contribution to <i>group capital resources</i> of the <i>regulated related undertaking</i>. G1 is calculated as the difference between column F1 and E1. (G1 can be positive or negative. A negative figure would principally represent goodwill on acquisition).</p> <p>Similarly G2 is the difference between F2 and E2, G3 is the difference between F3 and E3 etc. (G2, G3, G4 & G5 would normally be positive).</p> <p>The totals of columns G1, G2 and G3 respectively represent the group's <i>core tier one capital</i>, perpetual non-cumulative <i>preference shares</i> and <i>innovative tier one capital resources</i> (see H1 to H3 on page 1).</p> <p>The sum of columns G4 and G5 represent the group's <i>tier two capital resources</i> (see H5 and H6).</p>
Parent's capital resources (page 4)	<p>The entries in this line represent the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking's capital resources</i>, after deduction of the book value of the investments taken together of the individual members of the <i>insurance group</i> in those <i>capital resources</i>. The deduction excludes any holding by the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking</i> (as applicable) of its own <i>shares</i>; such holdings are deducted in calculating the parent's <i>tier one capital resources</i>.</p>
H1 H2 H3 H4 (page 1)	<p>H1 to H3 represent the total contribution of the <i>regulated related undertakings</i> and the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking</i> to <i>total group tier one capital</i>. H4 represents the sum of the Tier 1 deductions for all members of the <i>insurance group</i>.</p>

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

<i>Ref</i>	<i>Instructions</i>
TT1 (page 1)	<p>This entry is <i>total group tier one capital</i> (see stage A of <i>PRU 8.3.43R</i>) after application of limits 1, 2 and 3 below:</p> <p>Limit 1: <i>Total group tier one capital</i>, less <i>innovative tier one capital resources</i> included in <i>total group tier one capital</i>, must account for at least 50% of the <i>group capital resources requirement</i> less any <i>with-profits insurance capital components</i> included in the <i>group capital resources requirement</i> (see <i>PRU 8.3.45R(1)(a)</i>).</p> <p>Limit 2: <i>Core tier one capital resources</i> included in <i>total group tier one capital</i> must account for at least 50% of <i>total group tier one capital</i> (see <i>PRU 8.3.45R(1)(c)</i>).</p> <p>Limit 3: <i>Innovative tier one capital resources</i> included in <i>total group tier one capital</i> must not exceed 15% of <i>total group tier one capital</i> (see <i>PRU 8.3.45R(1)(d)</i>).</p> <p>Any capital item excluded by limit 3 may form part of <i>total group tier two capital</i> (see <i>PRU 8.3.46G</i>).</p>
H5 H6 (page 1)	<p>These entries represent the total contribution of the <i>regulated related undertakings</i> and the <i>ultimate insurance parent undertaking</i> or <i>ultimate EEA insurance parent undertaking</i> to <i>total group tier two capital</i>.</p>
TT2 (page 1)	<p>This entry is calculated as the sum of H5 and H6 which represents <i>total group tier two capital</i> (stage B in <i>PRU 8.3.43R</i>) after application of limits 4 and 5 as follows:</p> <p>Limit 4: <i>Total group tier two capital</i> must not exceed <i>total group tier one capital</i> (see <i>PRU 8.3.45R(1)(e)</i>).</p> <p>Limit 5: <i>Lower tier two capital resources</i> calculated in accordance with <i>PRU 8.3.57R</i> included in <i>total group tier two capital</i> must not exceed 50% of <i>total group tier one capital</i> (see <i>PRU 8.3.45R(1)(f)</i>).</p>

FORM 95: INSURANCE GROUP CAPITAL ADEQUACY REPORTING FORM

<i>Ref</i>	<i>Instructions</i>
TCR (page 1)	<p>This entry is calculated as the sum of TT1 and TT2 and represents group capital resources before deductions (stage C in <i>PRU</i> 8.3.43R) after application of limit 6 as follows:</p> <p>Limit 6: <i>Total group tier one capital less innovative tier one capital resources included in total group tier one capital, plus total group tier two capital less any lower tier two capital resources included in total tier two capital must account for at least 75% of the group capital resources requirement less any with-profits insurance capital components included in the group capital resources requirement (PRU 8.3.45R(1)(b)).</i></p>
H7 (page1)	This entry is the sum of columns D1 and D2 on page 2 which represent deductions to be made from total <i>group capital resources</i> in respect of the group's interest in inadmissible assets (see 8.3.59R), and <i>ancillary services undertakings</i> (see <i>PRU</i> 8.3.62R).
GCR (page1)	This entry is calculated as TCR less H7. This represents <i>group capital resources</i> (stage H in <i>PRU</i> 8.3.43R).
GCRR (page 1)	This entry is calculated as the sum of column B on page 2 which represents the <i>group capital resources requirement (PRU</i> 8.3.33R).
I (page 1)	This is calculated as total <i>group capital resources</i> less total <i>group capital resources requirement (GCR – GCRR)</i> . This represents the amount by which <i>group capital resources</i> exceed or fail to exceed the <i>group capital resources requirement</i> .