
EXPLANATORY NOTE

(This note is not part of the Regulations)

1. These Regulations implement Council Directive [91/674/EEC](#) Official Journal No. L374 of 31.12.91 pages 7 to 31 on the annual accounts and consolidated accounts of insurance undertakings, in so far as that Directive is applicable to bodies corporate or unincorporate other than (a) bodies corporate to which Part VII of the Companies Act 1985 (“the 1985 Act”) applies and (b) friendly societies (the Companies Act 1985 (Insurance Companies Accounts) Regulations 1993 (S.I.1993/3246) implement Directive [91/674/EEC](#) in respect of bodies corporate to which Part VII of the 1985 Act applies). The Regulations also implement the Directive in so far as it is applicable to the Council of Lloyd's. Separate regulations will deal with friendly societies.

2. The directors of qualifying bodies for the purposes of the Regulations are required by regulation 3 to prepare accounts and a directors' report, and to obtain an auditors' report on such accounts, in accordance with the provisions of Part VII of the 1985 Act which are specified in paragraph (3) and are applicable to insurance companies and groups.

3. The Council of Lloyd's is required by regulation 4 to prepare an account complying with the requirements of paragraphs (3) and (4) by amalgamating the accounts of syndicates in which members of Lloyd's participate.

4. Regulation 5 requires the documents prepared under regulations 3 and 4 to be made available for inspection without charge at the relevant body's head office in Great Britain.

5. Regulation 6 imposes criminal penalties for failure to comply with the Regulations.

6. Regulation 7 of, and the Schedule to, the Regulations make certain modifications of legislation applicable to industrial and provident societies which prepare accounts under the Regulations.

7. Regulation 8 permits the directors of a qualifying body not to prepare accounts and a directors' report (and obtain an auditors' report on the accounts) under the Regulations for financial years commencing before 23rd December 1994. This transitional provision mirrors the transitional provision in the Companies Act 1985 (Insurance Companies Accounts) Regulations 1993.