
STATUTORY INSTRUMENTS

1993 No. 3246

COMPANIES

**The Companies Act 1985 (Insurance
Companies Accounts) Regulations 1993**

Made - - - - 18th December 1993

Coming into force 19th December 1993

**THE COMPANIES ACT 1985 (INSURANCE
COMPANIES ACCOUNTS) REGULATIONS 1993**

1. Citation and interpretation
 2. Insurance companies
 3. Insurance groups
 4. Form and content of accounts
 5. Minor and consequential amendments
 6. Exempted companies
 7. Transitional provisions
- Signature

SCHEDULE 1 — Form and Content of Accounts of Insurance Companies and Groups

PART I — Individual Accounts

Chapter I

General Rules and Formats

Section A

General Rules

1. (1) Subject to the following provisions of this Part of...
2. (1) Any item required in accordance with paragraph 1 above...
3. (1) In respect of every item shown in the balance...
4. Subject to the provisions of this Schedule, amounts in respect...
5. Every profit and loss account of a company shall show...
6. The provisions of this Schedule which relate to long term...

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Section B

The Required Formats for Accounts

Preliminary

7. (1) References in this Part of this Schedule to the...
8. A number in brackets following any item in either of...
9. In the profit and loss account set out below—...

Balance Sheet Format

ASSETS

LIABILITIES

Notes on the balance sheet format

1. Called up share capital not paid (Assets items A and...
2. Concessions, patents, licences, trade marks and similar rights and assets...
3. Goodwill (Assets item B.3) Amounts representing goodwill shall only be...
4. Land and buildings (Assets item C.I.) The amount of any...
5. Debt securities and other fixed income securities (Assets item C.III.2)...
6. Participation in investment pools (Assets item C.III.3) This item shall...
7. Loans secured by mortgages and other loans (Assets items C.III.4...
8. Deposits with credit institutions (Assets item C.III.6) This item shall...
9. Other (Assets item C.III.7) This item shall comprise those investments...
10. Deposits with ceding undertakings (Assets item C.IV) Where the company...
11. Assets held to cover linked liabilities (Assets item D) In...
12. Reinsurance amounts (Assets item Da: Liabilities items C.1(b), 2(b), 3(b),...
13. Debtors (Assets item E) Amounts owed by group undertakings and...
14. Own shares (Assets item F.IV) The nominal value of the...
15. Other (Assets item F.V) This item shall comprise those assets...
16. Accrued interest and rent (Assets item G.I) This item shall...
17. Deferred acquisition costs (Assets item G.II) This item shall comprise...
18. Subordinated liabilities (Liabilities item B) This item shall comprise all...
19. Fund for future appropriations (Liabilities item Ba) This item shall...
20. Provision for unearned premiums (Liabilities item C.1) In the case...
21. Long term business provision (Liabilities item C.2) This item shall...
22. Claims outstanding (Liabilities item C.3) This item shall comprise the...
23. Provision for bonuses and rebates (Liabilities item C.4) This item...
24. Equalisation provision (Liabilities item C.5) This item shall comprise any...
25. Other technical provisions (Liabilities item C.6) This item shall comprise,...
26. Technical provisions for linked liabilities (Liabilities item D) This item...
27. Deposits received from reinsurers (Liabilities item F) Where the company...
28. Creditors (Liabilities item G) Amounts owed to group undertakings and...
29. Debenture loans (Liabilities item G.III) The amount of any convertible...

Special rules for balance sheet format

10. **Additional items**
11. **Managed funds**
12. **Deferred acquisition costs**

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Profit and loss account format

- I Technical account General business (1) Earned premiums, net of reinsurance—...
- II Technical account Long term business (1) Earned premiums, net of...
- III Non-technical account (1) Balance on the general business technical account...

Notes on the profit and loss account format

- 1. Gross premiums written (General business technical account: item I.1.(a) Long...
- 2. Outward reinsurance premiums (General business technical account: item I.1.(b) Long...
- 3. Change in the provision for unearned premiums, net of reinsurance...
- 4. Claims incurred, net of reinsurance (General business technical account: item...
- 5. Bonuses and rebates, net of reinsurance (General business technical account:...
- 6. Acquisition costs (General business technical account: item I.7.(a) Long term...
- 7. Administrative expenses (General business technical account: item I.7.(c) Long term...
- 8. Investment income, expenses and charges (General business technical account: items...
- 9. Unrealised gains and losses on investments (Long term business technical...
- 10. Allocated investment return (General business technical account: items I.2 and...

Chapter II

Accounting Principles and Rules

Section A

Accounting Principles

Preliminary

- 13. Subject to paragraph 19 below, the amounts to be included...

Accounting principles

- 14. The company shall be presumed to be carrying on business...
- 15. Accounting policies shall be applied consistently within the same accounts...
- 16. The amount of any item shall be determined on a...
- 17. All income and charges relating to the financial year to...
- 18. In determining the aggregate amount of any item the amount...

Departure from accounting principles

- 19. If it appears to the directors of a company that...

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Section B

Current Value Accounting Rules

Preliminary

- 20. Subject to paragraphs 27 to 29 below—
- 21. The same valuation method shall be applied to all investments...

Valuation of assets: general

- 22. (1) Subject to paragraph 24 below, investments falling to be...
- 23. (1) Intangible assets other than goodwill may be shown at...

Alternative valuation of fixed-income securities

- 24. (1) This paragraph applies to debt securities and other fixed-income...

Meaning of “current value”

- 25. (1) Subject to sub-paragraph (5) below, in the case of...
- 26. (1) In the case of land and buildings, current value...

Application of the depreciation rules

- 27. (1) Where— (a) the value of any asset of a...

Additional information to be provided

- 28. (1) This paragraph applies where the amounts to be included...

Revaluation reserve

- 29. (1) Subject to sub-paragraph (7) below, with respect to any...

Section C

Historical Cost Accounting Rules

Preliminary

- 30. Subject to paragraphs 20 to 29 above, the amounts to...

Valuation of assets

- 31. ***General rules***
- 32. In the case of any asset included under Assets item...
- 33. (1) This paragraph applies to any asset included under Assets...
- 34. (1) This paragraph applies to assets included under Assets items...
- 35. ***Development costs***
- 36. ***Goodwill***

Miscellaneous and supplemental

- 37. ***Excess of money owed over value received as an asset item***
- 38. ***Assets included at a fixed amount***
- 39. ***Determination of cost***
- 40. (1) Subject to the qualification mentioned below, the cost of...

41. ***Substitution of original amount where price or cost unknown***

Section D

Rules for Determining Provisions

- 42. ***Preliminary***
- 43. ***Technical provisions***
- 44. ***Provision for unearned premiums***
- 45. ***Provision for unexpired risks***
- 46. ***Long term business provision***
- 47. ***Provisions for claims outstanding General business***
- 48. (1) Explicit discounting or deductions to take account of investment...
- 49. ***Long term business***
- 50. ***Equalisation provision***
- 51. ***Accounting on a non-annual basis***
- 52. (1) The excess of the premiums written over the claims...
- 53. (1) The figures shown in the technical account or in...

Chapter iii

Notes to the Accounts

Preliminary

- 54. Any information required in the case of any company by...

General

- 55. ***Disclosure of accounting policies***
- 56. It shall be stated whether the accounts have been prepared...
- 57. ***Sums denominated in foreign currencies***

Information supplementing the balance sheet

- 58. ***Share capital and debentures***
- 59. If the company has allotted any shares during the financial...
- 60. (1) With respect to any contingent right to the allotment...
- 61. (1) If the company has issued any debentures during the...
- 62. ***Assets***
- 63. Where any assets of the company (other than listed investments)...
- 64. In relation to any amount which is included under Assets...
- 65. ***Investments***
- 66. ***Reserves and provisions***
- 67. ***Provision for taxation***
- 68. ***Details of indebtedness***
- 69. If any fixed cumulative dividends on the company's shares are...
- 70. ***Guarantees and other financial commitments.***
- 71. ***Dealings with or interests in group undertakings***
- 72. ***Miscellaneous matters***

Information supplementing the profit and loss account

- 73. ***Separate statement of certain items of income and expenditure***
- 74. ***Particulars of tax***

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- 75. **Particulars of business**
- 76. (1) As regards long term business, the company shall disclose—...
- 77. (1) Subject to sub-paragraph (2) below, there shall be disclosed...
- 79. **Particulars of staff**
- 80. **Miscellaneous matters**

Chapter IV

Interpretation of Part I

- 81. **General**
 - 82. **Loans**
 - 83. **Materiality**
 - 84. **Provisions**
 - 85. **Scots land tenure**
 - 86. **Staff costs**
- Part II — Consolidated Accounts

Schedule 4A to apply Part I of this Schedule with modifications

- 1. (1) In its application to insurance groups, Schedule 4A shall...

Modifications of Part I of this Schedule for purposes of paragraph 1

- 2. (1) For the purposes of paragraph 1 above, Part I...

SCHEDULE 2 — Minor and Consequential Amendments of 1985 Act

- 1. In section 228(2)(b) of the 1985 Act (exemption for parent...
- 2. In section 254(3) of the 1985 Act (exemption from requirements...
- 3. Section 255C of the 1985 Act (directors' report where accounts...
- 4. In section 260(6) of the 1985 Act (participating interests), for...
- 5. In the index of defined expressions set out in section...
- 6. In section 268(1) of the 1985 Act (realised profits of...
- 7. Schedule 10 to the 1985 Act (directors' report where accounts...
- 8. In Schedule 11 to the 1985 Act (modifications of Part...
- 9. In Schedule 22 to the 1985 Act (provisions applying to...

Explanatory Note