

SCHEDULE 3

INSURANCE COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

PART 2

ACCOUNTING PRINCIPLES AND RULES

SECTION D

HISTORICAL COST ACCOUNTING RULES

Valuation of assets

General rules

38.—(1) This paragraph applies to any asset included under assets item B (intangible assets), C (investments), F.I (tangible assets) or F.IV (own shares).

(2) Where an asset to which this paragraph applies has diminished in value, provisions for diminution in value may be made in respect of it and the amount to be included in respect of it may be reduced accordingly.

(3) Provisions for diminution in value must be made in respect of any asset to which this paragraph applies if the reduction in its value is expected to be permanent (whether its useful economic life is limited or not), and the amount to be included in respect of it must be reduced accordingly.

(4) Any provisions made under sub-paragraph (2) or (3) which are not shown in the profit and loss account must be disclosed (either separately or in aggregate) in a note to the accounts.