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STATUTORY RULES OF NORTHERN IRELAND

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**1994 No. 428**

**COMPANIES  
INSURANCE**

**Companies (1986 Order) (Insurance Companies  
Accounts) Regulations (Northern Ireland) 1994**

*Made - - - - 2nd November 1994  
To be laid before Parliament under paragraph 3(3)  
of Schedule 1 to the Northern Ireland Act 1974.*

*Coming into operation 16th December 1994*

**COMPANIES (1986 ORDER) (INSURANCE COMPANIES  
ACCOUNTS) REGULATIONS (NORTHERN IRELAND) 1994**

1. Citation, commencement 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

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

Part 1 — INDIVIDUAL ACCOUNTS

CHAPTER 1

*GENERAL RULES AND FORMATS*

Section A

*GENERAL RULES*

1. (1) Subject to the following provisions of this Part—

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2. (1) Any item required in accordance with paragraph 1 to...
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...

## Section B

### *THE REQUIRED FORMATS FOR ACCOUNTS*

#### *Preliminary*

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

#### *Balance Sheet Format*

- A ASSETS
- B Intangible assets (1) Development costs (2) Concessions, patents, licences, trade...
- C Investments
  - I Land and buildings (4)
  - II Investments in group undertakings and participating interests
  - III Other financial investments (1) Shares and other variable-yield securities and...
- IV Deposits with ceding undertakings (10)
- D Assets held to cover linked liabilities (11)
- Da Reinsurers' share of technical provisions (12) (1) Provision for unearned...
- E Debtors (13)
  - I Debtors arising out of direct insurance operations
  - II Debtors arising out of reinsurance operations
  - III Other debtors
  - IV Called up share capital not paid (1)
- F Other assets
  - I Tangible assets (1) Plant and machinery (2) Fixtures, fittings, tools...
  - II Stocks (1) Raw materials and consumables (2) Work in progress...
  - III Cash at bank and in hand
  - IV Own shares (14)
  - V Other (15)
- G Prepayments and accrued income
  - I Accrued interest and rent (16)
  - II Deferred acquisition costs (17)
  - III Other prepayments and accrued income
- A LIABILITIES
  - I Called up share capital or equivalent funds
  - II Share premium account
  - III Revaluation reserve
  - IV Reserves (1) Capital redemption reserves (2) Reserve for own shares...
  - V Profit and loss account
- B Subordinated liabilities (18)
- Ba Fund for future appropriations (19)

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C	Technical provisions (1) Provision for unearned premiums (20)
D	Technical provisions for linked liabilities (26) (a) gross amount
E	Provisions for other risks and charges (1) Provisions for pensions...
F	Deposits received from reinsurers (27)
G	Creditors (28)
I	Creditors arising out of direct insurance operations
II	Creditors arising out of reinsurance operations
III	Debenture loans (29)
IV	Amounts owed to credit institutions
V	Other creditors including taxation and social security
H	Accruals and deferred income

### ***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.1) 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,...

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- (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

***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 reinsurance...
- 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-term...
- (2) Outward reinsurance premiums (General business technical account: item I.1(b) Long-term...
- (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 business...
- (7) Administrative expenses (General business technical account: item I.7c) Long-term business...
- (8) Investment income, expenses and charges (General business technical account: items...
- (9) Unrealised gains and losses on investments (Long-term business technical account:...
- (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, the amounts to be included in...

#### ***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...

## Section B

### *CURRENT VALUE ACCOUNTING RULES*

#### ***Preliminary***

20. Subject to paragraphs 27 to 29— (a) the amounts to...  
21. The same valuation method shall be applied to all investments...

#### ***Valuation of assets: general***

22. (1) Subject to paragraph 24, investments falling to be included...  
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), in the case of investments...  
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), with respect to any determination...

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## Section C

### *HISTORICAL COST ACCOUNTING RULES*

#### ***Preliminary***

30. Subject to paragraphs 20 to 29, the amounts to be...

#### ***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

#### ***Provisions for claims outstanding***

47. 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. information required in the case of any company by the...

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

## CHAPTER IV

### *INTERPRETATION OF PART I*

- 81. General
- 82. Loans
- 83. Materiality
- 84. Provisions
- 85. Staff costs

### Part II — CONSOLIDATED ACCOUNTS

- 1. Schedule 4A to apply Part I of this Schedule with modifications
  - 2. Modifications of Part I of this Schedule for purposes of paragraph 1
- SCHEDULE
- 2. ORDER
  - 1. In Article 236(2)(b) of the 1986 Order (exemption for parent...
  - 2. In Article 262(3) of the 1986 Order (exemption from requirements...
  - 3. Article 263C of the 1986 Order (directors' report where accounts...
  - 4. In Article 268(6) of the 1986 Order (participating interests), for...
  - 5. In the index of defined expressions set out in Article...

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6. In Article 276(1) of the 1986 Order (realised profits of...
7. Schedule 10 to the 1986 Order (directors' report where accounts...
8. In Schedule 11 to the 1986 Order (modifications of Part...
9. In Schedule 21 to the 1986 Order (provisions applying to...  
Explanatory Note