

SCHEDULE 3

INSURANCE COMPANIES: COMPANIES ACT INDIVIDUAL ACCOUNTS

PART 2

ACCOUNTING PRINCIPLES AND RULES

SECTION E

RULES FOR DETERMINING PROVISIONS

Provision for unearned premiums

50.—(1) The provision for unearned premiums must in principle be computed separately for each insurance contract, save that statistical methods (and in particular proportional and flat rate methods) may be used where they may be expected to give approximately the same results as individual calculations.

(2) Where the pattern of risk varies over the life of a contract, this must be taken into account in the calculation methods.