



Insurance Companies Act 1974

1974 CHAPTER 49

PART II

REGULATION OF INSURANCE COMPANIES

Assets and liabilities attributable to long term business

23 Separation of assets and liabilities attributable to long term business

- (1) Where an insurance company to which this Part of this Act applies carries on long term business of either or both classes—
 - (a) the company shall maintain an account in respect of that class or, as the case may be, each of those classes of long term business ; and
 - (b) the receipts of that class or, as the case may be, of each of those classes of business shall be entered in the account maintained for that class and shall be carried to and form a separate insurance fund with an appropriate name.
- (2) An insurance company to which this Part of this Act applies which carries on long term business of either or both classes shall maintain such books of account and other records as are necessary for identifying—
 - (a) the assets representing the fund or funds maintained by the company under subsection (1)(b) above (but without necessarily distinguishing between the funds if more than one); and
 - (b) the liabilities attributable to that class or, as the case may be, each of those classes of long term business.
- (3) An insurance company to which this Part of this Act applies which was carrying on long term business on 25th July 1973—
 - (a) shall in accordance with regulations made for the purposes of this paragraph make arrangements, during the financial year of the company beginning next after the date on which the regulations are made, for identifying the assets and liabilities of the company as on the last day of that financial year which are attributable to its long term business; and

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- (b) shall not be subject to the provisions of subsection (2) above until the day after the end of that financial year.
- (4) Regulations made for the purposes of subsection (3)(a) above may make provision for requiring companies to furnish the Secretary of State with certificates of such matters relating to the making of the arrangements, signed by such persons, as may be prescribed.