

SCHEDULE 1

Form and Content of Accounts of Insurance Companies and Groups

PART I

Individual Accounts

Chapter II

Accounting Principles and Rules

Section D

Rules for Determining Provisions

Accounting on a non-annual basis

52.—(1) The excess of the premiums written over the claims and expenses paid in respect of contracts commencing in the underwriting year shall form a technical provision included in the technical provision for claims outstanding shown in the balance sheet under Liabilities item C.3.

(2) The provision may also be computed on the basis of a given percentage of the premiums written where such a method is appropriate for the type of risk insured.

(3) If necessary, the amount of this technical provision shall be increased to make it sufficient to meet present and future obligations.

(4) The technical provision constituted under this paragraph shall be replaced by a provision for claims outstanding estimated in accordance with paragraph 47 above as soon as sufficient information has been gathered and not later than the end of the third year following the underwriting year.

(5) The length of time that elapses before a provision for claims outstanding is constituted in accordance with sub-paragraph (4) above shall be disclosed in the notes to the accounts.