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STATUTORY INSTRUMENTS

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**1994 No. 1516**

**The Insurance Companies Regulations 1994**

**PART I**  
**PRELIMINARY**

**Citation and commencement**

1. These Regulations may be cited as the Insurance Companies Regulations 1994 and shall come into force on 1st July 1994.

**Interpretation: general**

2.—(1) In these Regulations, unless the context otherwise requires—

“the Act” means the Insurance Companies Act 1982;

“cede” and “cession”, in relation to reinsurance, include retrocede and retrocession;

“credit insurance business” means all insurance business falling within general business class 14 of Part I of Schedule 2 to the Act that is not reinsurance;

“deposit back arrangement”, in relation to any contract of reinsurance, means an arrangement whereby an amount is deposited by the reinsurer with the cedant;

“EEA margin of solvency” shall be construed in accordance with section 32 of the Act<sup>(1)</sup>;

“equalisation reserve” has the meaning given in regulation 76(1) below;

“guarantee fund” has the meaning given in regulation 22(1) below;

“linked long term contract” means a contract of the kind described in section 78 of the Act;

“mathematical reserves” means the provision made by an insurer to cover liabilities (excluding liabilities which have fallen due and liabilities arising from deposit back arrangements) arising under or in connection with contracts for long term business;

“minimum guarantee fund” has the meaning given in regulation 22(2) below;

“mutual” means an insurance company which is—

- (a) a body corporate having no share capital (except a wholly owned subsidiary with no share capital but limited by guarantee), or
- (b) a registered society;

“pure reinsurer” means—

- (a) an insurance company whose head office is in the United Kingdom and whose business is restricted to reinsurance business; or
- (b) an insurance company whose head office is not in the United Kingdom and whose business in the United Kingdom is restricted to reinsurance business;

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<sup>(1)</sup> Section 32 was amended by S.I. 1994/1696, reg. 14.

“Schedule” means Schedule to these Regulations;

“the Stock Exchange” means the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;

“United Kingdom margin of solvency” shall be construed in accordance with section 32 of the Act;

“unit of account” means the unit of account known as the ECU;

and the words and expressions which are also used in the Act have the same meanings as in the Act.

(2) For the purposes of these Regulations, other than regulation 30, the rate of conversion from the ECU to the pound sterling shall, in the case of general business, be subject to a minimum of 41.66 pence per ECU.