

SCHEDULE 1

Regulation 4

INFORMATION TO BE SUBMITTED: LONG TERM BUSINESS

Notes:

* This information is not required from applicants already authorised to carry on insurance business in the United Kingdom.

† This information is required only in respect of the classes of insurance business for which new authorisation is being sought.

§ This information shall be provided as if a notice relating to the person concerned were being served on the Secretary of State pursuant to section 60(1)(a) or 61(1)(a) of the Act.

PART I

COMPANIES WHOSE HEAD OFFICE IS IN THE UNITED KINGDOM

The company

1. * Date of incorporation, place of incorporation and registered number.
2. * Brief summary of the objects of the company.
3. * A statement showing the amount by which the assets are expected to exceed liabilities at the date of authorisation (after application of valuation regulations) and how calculated.
4. * Date on which the company's financial year will end.
5. * Name and address of the auditors of the company.
6. * Names and addresses of the company's principal bankers.
7. § Names of the persons who will be directors, controllers or managers of the company. The appropriate particulars specified in Schedule 6 to these Regulations shall be completed for each person listed.
8. Particulars of any association which exists or which is proposed to exist between the directors or controllers of the company and any person who acts or will act as an insurance broker, agent, loss adjuster or reinsurer for the company.

Authorisations to be continued

9. Particulars of classes of insurance business for which the company is already authorised in the United Kingdom and which it wishes to be included in the new authorisation.

Scheme of operations

10. † The sources of business (for example, insurance brokers, agents, own employees or direct selling), and the approximate percentage expected from each source.
11. † The nature of the commitments which the company proposes to cover.
12. † A statement showing for each of the first three financial years following authorisation for each type of contract or treaty, on both optimistic and pessimistic bases and broken down between the United Kingdom, other EEA States and elsewhere—
 - (a) the number of contracts or treaties expected to be issued,

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- (b) the total premium income both gross and net of reinsurance, and
- (c) the total sums assured or amounts of annuity per annum.

13. † The technical bases that the actuary who will be appointed for the purposes of section 19 of the Act proposes to employ for each class of business, including the bases needed for calculating premium rates and mathematical reserves.

14. † The guiding principles as to reinsurance including the company's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers.

15. * The assets which represent or will represent the minimum guarantee fund being assets admissible under and valued in accordance with Part VIII of these Regulations.

16. † The estimated costs of installing the administrative services and organisation for securing business, and the financial resources intended to cover those costs.

Projections

17. For each of the first three financial years following authorisation—

- (a) a forecast balance sheet (on both optimistic and pessimistic bases),
- (b) a plan (on both optimistic and pessimistic bases) setting out detailed estimates of income and expenditure in respect of direct business, reinsurance acceptances and reinsurance cessions, and
- (c) estimates relating to the financial resources intended to cover underwriting liabilities and the margin of solvency.

18. The technical bases used to calculate the forecast and estimates specified in paragraph 17 above and the factors used to determine the level of the required margin of solvency assumed for the purposes of paragraph 17(c) above.

Other information, agreements, treaties and certificates required

19. A statement showing the types of investments which are expected to represent the insurance funds and the estimated proportion which will be represented by each type of investment.

20. † Copies or drafts of reinsurance treaties.

21. † Copies or drafts of any standard agreements with brokers or agents.

22. † Copies or drafts of any agreements with persons (other than employees of the company) who will manage the business of the company.

23. † A certificate by the actuary who will be appointed for the purposes of section 19 of the Act that—

- (a) he considers the premium rates to be suitable,
- (b) he considers the financing of the company to be sufficient to cover both technical reserves and the required margin of solvency during the first three financial years following authorisation, and
- (c) he agrees with the information provided under paragraphs 11, 14 and 17 above.

PART II

COMPANIES OTHER THAN EC COMPANIES WHOSE HEAD OFFICE IS IN AN EEA STATE OTHER THAN THE UNITED KINGDOM (DIRECT BUSINESS OR BOTH DIRECT BUSINESS AND REINSURANCE)

The company

1. * Date of incorporation, place of incorporation and registered number.
2. * Copies of the memorandum and articles of association of the company (or their equivalent).
3. * Name and address of the auditors of the company in the United Kingdom.
4. * Names and addresses of the company's principal bankers in the United Kingdom.
5. Names of the directors and managers of the company.
6. § Names of the persons who will be the principal United Kingdom executive, the authorised United Kingdom representative or an employee within section 8(4)(c) of the Act. The appropriate particulars specified in Schedule 6 to these Regulations shall be completed for each person listed.
7. Particulars of any association which exists or which is proposed to exist between the directors or controllers of the company and any person who acts or will act as an insurance broker, agent, loss adjuster or reinsurer for the company in the United Kingdom.

Statement from head office supervisor

8. A statement from the supervisory authority of the EEA State in which the company has its head office stating the classes of insurance business which the company is authorised to carry on in that State, specifying the risks covered there, declaring that the company has the required margin of solvency or minimum guarantee fund and specifying the financial resources from which the costs referred to in paragraph 16 below will be met.

Authorisations to be continued

9. Particulars of classes of insurance business for which the company is already authorised in the United Kingdom and which it wishes to be included in the new authorisation.

Scheme of operations for the United Kingdom

10. † The sources of business in the United Kingdom (for example, insurance brokers, agents, own employees or direct selling) with the approximate percentage expected from each source.

11. † The nature of the commitments which the company proposes to cover in the United Kingdom and the general and special policy or treaty conditions which it proposes to use.

12. † A statement in respect of the United Kingdom business showing for each of the first three financial years following authorisation and for each type of contract or treaty, on both optimistic and pessimistic bases—

- (a) the number of contracts or treaties expected to be issued,
- (b) the total premium income both gross and net of reinsurance ceded, and
- (c) the total sums assured or amounts of annuity per annum.

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13. † The technical bases that the actuary who will be appointed for the purposes of section 19 of the Act proposes to employ for each class of business in the United Kingdom, including the bases needed for calculating premium rates and mathematical reserves.

14. † The guiding principles as to reinsurance of business written in the United Kingdom including the maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers.

15. A statement showing the current margin of solvency of the company, the margin of solvency required and how both have been calculated.

16. † The estimated costs of installing the administrative services and organisation for securing business in the United Kingdom and the financial resources intended to cover those costs.

Projections for the United Kingdom

17. For each of the first three financial years following authorisation, on both optimistic and pessimistic bases—

- (a) a forecast balance sheet for the proposed branch, and
- (b) a plan setting out detailed estimates of income and expenditure in respect of direct business, reinsurance acceptances and reinsurance cessions of the proposed branch.

18. The technical bases used to calculate the forecast and estimates specified in paragraph 17 above.

Accounts, agreements, treaties and certificates required

19. * Balance sheets and profit and loss accounts of the company for each of the last three financial years or, if the company has not been in business for three financial years, for each of the financial years for which it has been in business.

20. A statement showing the types of investments which are expected to represent the insurance funds in the United Kingdom and the estimated proportion which will be represented by each type of investment.

21. † Copies or drafts of any separate reinsurance treaties covering business written in the United Kingdom.

22. † Copies or drafts of any standard agreements which the company will have with brokers or agents in the United Kingdom.

23. † Copies or drafts of any agreements which the company will have with persons (other than employees of the company) who will manage the business of the proposed branch.

24. † A certificate by the actuary who will be appointed for the purposes of section 19 of the Act indicating the sums he considers it will be necessary to transfer from the company's head office in each of the first three years after authorisation to provide adequate technical reserves in the United Kingdom and stating that—

- (a) he considers that the premium rates which will be used in the United Kingdom are suitable, and
- (b) he agrees with the information provided under paragraphs 11, 14 and 17 above.

PART III

COMPANIES WHOSE HEAD OFFICE IS NOT IN AN EEA STATE (DIRECT BUSINESS OR BOTH DIRECT BUSINESS AND REINSURANCE)

The company

1. * Date of incorporation, place of incorporation and registered number.
2. * Brief summary of the objects of the company.
3. A statement of the classes of insurance business which the company is authorised to carry on in the country in which its head office is situated.
4. The assets which represent or will represent the minimum guarantee fund in the United Kingdom being assets admissible under and valued in accordance with Part VIII of these Regulations.
5. * Name and address of the auditors of the company in the United Kingdom.
6. * Names and addresses of the company's principal bankers in the United Kingdom.
7. § Names of the persons who will be directors, controllers or managers of the company, its principal United Kingdom executive, or its authorised United Kingdom representative. The appropriate particulars specified in Schedule 6 to these Regulations shall be completed for each person listed.
8. Particulars of any association which exists or which is proposed to exist between the directors or controllers of the company and any person who acts or will act as an insurance broker, agent or loss adjuster for the company in the United Kingdom or a reinsurer of the company.

Authorisations to be continued

9. Particulars of classes of insurance business for which the company is already authorised in the United Kingdom and which it wishes to be included in the new authorisation.

Scheme of operations for the United Kingdom

10. † The sources of business in the United Kingdom (for example, insurance brokers, agents, own employees or direct selling) and the approximate percentage expected from each source.
11. † The nature of the commitments which the company proposes to cover in the United Kingdom and the general and special policy or treaty conditions which it proposes to use.
12. † A statement in respect of United Kingdom business showing for each of the first three financial years following authorisation and for each type of contract or treaty, on both optimistic and pessimistic bases—
 - (a) the number of contracts or treaties expected to be issued,
 - (b) the total premium income both gross and net of reinsurance ceded, and
 - (c) the total sums assured or amounts of annuity per annum.
13. † The technical bases that the actuary who will be appointed for the purposes of section 19 of the Act proposes to employ for each class of business carried on in the United Kingdom including the bases needed for calculating premium rates and mathematical reserves.
14. † The guiding principles as to reinsurance of business written in the United Kingdom including the company's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers.

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15. A statement showing the current margin of solvency of the company (after application of valuation regulations), the margin of solvency required and how both have been calculated.

16. † The estimated costs of installing the administrative services and organisation for securing business in the United Kingdom, and the financial resources intended to cover those costs.

Projections for the United Kingdom

17. For each of the first three financial years following authorisation, on both optimistic and pessimistic bases—

- (a) a forecast balance sheet for the proposed branch, and
- (b) a plan setting out detailed estimates of income and expenditure in respect of direct business, reinsurance acceptances and reinsurance cessions of the proposed branch.

18. The technical bases used to calculate the forecast and estimates specified in paragraph 17 above.

Other information, accounts, agreements, treaties and certificates required

19. Balance sheets and profit and loss accounts of the company for each of the last three financial years or, if the company has not been in business for three financial years, for each of the financial years for which it has been in business.

20. A statement showing the types of investments which are expected to represent the insurance funds in the United Kingdom and the estimated proportion which would be represented by each type of investment.

21. For each of the first three financial years following authorisation, the estimated world-wide premium income of the company both gross and net of reinsurance ceded and broken down between the United Kingdom, other EEA States and elsewhere.

22. A brief description of the risks the company will underwrite outside the United Kingdom.

23. A brief summary of the reinsurance arrangements for the business of the company outside the United Kingdom including the company's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers.

24. Estimated capital expenditure in respect of operations outside the United Kingdom during each of the first three financial years following authorisation.

25. † Copies or drafts of any separate reinsurance treaties covering business written in the United Kingdom.

26. † Copies or drafts of any standard agreements which the company will have with brokers or agents in the United Kingdom.

27. † Copies or drafts of any agreements which the company will have with persons (other than employees of the company) who will manage the business of the proposed branch.

28. † A certificate by the actuary who will be appointed for the purposes of section 19 of the Act stating that the premium rates which will be used in the United Kingdom are suitable and that he agrees with the information provided under paragraphs 11, 14 and 17 above.

29. † A certificate by the actuary of the company stating that he considers the finances of the company are sufficient—

- (a) to meet the required technical reserves for its total business on both optimistic and pessimistic bases in the first three financial years following authorisation, and
- (b) to provide the required margin of solvency.

PART IV

COMPANIES WHOSE HEAD OFFICE IS NOT IN THE UNITED KINGDOM (REINSURANCE ONLY)

The company

1. * Date of incorporation, place of incorporation and registered number.
2. * A brief summary of the objects of the company.
3. A statement showing the classes of insurance business which the company is authorised to carry on in the country in which its head office is situated and particulars of any limitations.
4. * Balance sheets and profit and loss accounts of the company for each of the last three financial years or, if the company has not been in business for three financial years, for each of the financial years for which it has been in business.
5. A statement showing the current margin of solvency of the company (after application of valuation regulations), the margin of solvency required and how both have been calculated.
6. * Name and address of the auditors of the company in the United Kingdom.
7. * Names and addresses of the company's principal bankers in the United Kingdom.
8. † Names of the persons who will be directors, controllers or managers of the company, its principal United Kingdom executive or its authorised United Kingdom representative. The appropriate particulars specified in Schedule 6 to these Regulations shall be completed for each person listed.
9. Particulars of any association which exists or which is proposed to exist between the directors or controllers of the company and any person who acts or will act as the company's insurance broker, agent or loss adjuster in the United Kingdom or a retrocessionaire of the company.

Authorisations to be continued

10. Particulars of classes of insurance business for which the company is already authorised in the United Kingdom and which it wishes to be included in the new authorisation.

Scheme of operations for the United Kingdom

11. * The sources of business in the United Kingdom (for example, insurance brokers or direct selling) and the approximate percentage expected from each source.
12. † The nature of the commitments which the company proposes to cover in the United Kingdom and the general and special contracts or treaties which it proposes to use.
13. † The technical bases which the actuary who will be appointed for the purposes of section 19 of the Act proposes to employ for each class of business carried on in the United Kingdom, including the bases needed for calculating premium rates and mathematical reserves.
14. † A statement in respect of the United Kingdom business showing for each of the first three financial years following authorisation and for each type of contract or treaty, on both optimistic and pessimistic bases—
 - (a) the number of contracts or treaties expected to be issued,
 - (b) the total premium income both gross and net of reinsurance, and
 - (c) total sums assured or amounts of annuity per annum.

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15. † The guiding principles as to reinsurance of business written in the United Kingdom including the company's maximum retention per risk or event after all retrocessions and the names of the principal retrocessionaires.

16. † The estimated costs of installing the administrative services and organisation for securing business in the United Kingdom and the financial resources intended to cover those costs.

Other information, agreements, treaties and certificates required

17. A brief description of the risks underwritten by the company outside the United Kingdom.

18. A brief summary of the retrocession arrangements for the business written outside the United Kingdom including the company's maximum retention per risk or event after all retrocessions and the names of the principal retrocessionaires.

19. For each of the first three financial years following authorisation, on both optimistic and pessimistic bases—

- (a) a forecast balance sheet, and
- (b) a plan setting out detailed estimates of income and expenditure in respect of business accepted and reinsurance cessions broken down between the United Kingdom, other EEA States and elsewhere.

20. The technical bases used to calculate the forecast and estimates specified in paragraph 19 above.

21. A statement of the types of investments which are expected to represent the insurance funds and the estimated proportion which will be represented by each type of investment.

22. † Copies or drafts of any separate reinsurance treaties covering business written in the United Kingdom.

23. † Copies or drafts of any agreements which the company will have with persons (other than employees of the company) who will manage the business of the proposed branch.

24. † Copies or drafts of any standard agreements which the company will have with reinsurance brokers or agents in the United Kingdom.

25. † A certificate by the actuary who will be appointed for the purposes of section 19 of the Act stating that the premium rates which will be used in the United Kingdom are suitable and that he agrees with the information provided under paragraphs 12, 15 and 19 above.

26. A certificate by the actuary of the company stating that he considers the finances of the company are sufficient—

- (a) to meet the required technical reserves for its total business on both optimistic and pessimistic bases in the first three financial years following authorisation, and
- (b) to provide the required margin of solvency.

SCHEDULE 2

Regulation 4

INFORMATION TO BE SUBMITTED: GENERAL BUSINESS

Notes:

* This information is not required from applicants already authorised to carry on insurance business in the United Kingdom.

† This information is required only in respect of the classes of insurance business for which new authorisation is being sought.

§ This information shall be provided as if a notice relating to the person concerned were being served on the Secretary of State pursuant to section 60(1)(a) or 61(1)(a) of the Act.

‡ Premiums, contributions and claims should be shown under the accounting classes specified in regulation 3(1) of the Insurance Companies (Accounts and Statements) Regulations 1983(1).

PART I

COMPANIES WHOSE HEAD OFFICE IS IN THE UNITED KINGDOM

The company

1. * Date of incorporation, place of incorporation and registered number.
2. * Brief summary of the objects of the company.
3. A statement showing the amount by which assets are expected to exceed liabilities at the date of authorisation (after application of valuation regulations) and how calculated.
4. * Date on which the company's financial year will end.
5. * Name and address of the auditors of the company.
6. * Names and addresses of the company's principal bankers.
7. § Names of the persons who will be directors, controllers or managers of the company. The appropriate particulars specified in Schedule 6 to these Regulations shall be completed for each person listed.
8. Names of main agents in the United Kingdom and other member States.
9. Particulars of any association which exists or which is proposed to exist between the directors and controllers of the company and any person who acts or will act as an insurance broker, agent, loss adjuster or reinsurer for the company.

Authorisations to be continued

10. Particulars of classes of insurance business for which the company is already authorised in the United Kingdom and which it wishes to be included in the new authorisation.

Scheme of operations

11. † The sources of business (for example, insurance brokers, agents, own employees or direct selling) and the approximate percentage expected from each source.
12. † The nature of the risks which the company proposes to cover.
13. † The guiding principles as to reinsurance including the company's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers.
14. † The assets which represent or will represent the minimum guarantee fund being assets admissible under and valued in accordance with Part VIII of the Regulations.

(1) [S.I. 1983/1811](#); amended by [S.I. 1987/2130](#), reg. 4.

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15. † The estimated costs of installing the administrative services and organisation for securing business, and the financial resources intended to cover those costs and, in relation to general business class 18, the resources available for providing the assistance.

Projections

16. For each of the first three financial years following authorisation—
- (a) estimates relating to expenses of management (other than costs of installation) and in particular to current general expenses and commissions,
 - (b) ‡ estimates relating to premiums or contributions both gross and net of reinsurance and broken down between the United Kingdom, other EEA States and elsewhere and to claims (after all reinsurance recoveries),
 - (c) a forecast balance sheet, and
 - (d) estimates relating to the financial resources intended to cover underwriting liabilities and the margin of solvency.

Other information, agreements and treaties required

17. A statement showing the types of the investments which are expected to represent the insurance funds and the estimated proportion which will be represented by each type of investment.

18. † Copies or drafts of reinsurance treaties.

19. † Copies or drafts of any agreements which the company will have with persons (other than employees of the company) who will manage the business of the company.

20. † Copies or drafts of any standard agreements which the company will have with brokers or agents.

21. † Copies or drafts of agreements which the company will have with main agents.

Part II

SWISS GENERAL INSURANCE COMPANIES AND COMPANIES OTHER THAN EC COMPANIES WHOSE HEAD OFFICE IS IN AN EEA STATE OTHER THAN THE UNITED KINGDOM (DIRECT BUSINESS OR BOTH DIRECT BUSINESS AND REINSURANCE)

The company

- 1. * Date of incorporation, place of incorporation and registered number.
- 2. * Copies of the memorandum and articles of association of the company (or their equivalent).
- 3. * Name and address of the auditors of the company in the United Kingdom.
- 4. * Names and addresses of the company's principal bankers in the United Kingdom.
- 5. Names of the directors and managers of the company.
- 6. § Names of the persons who will be the principal United Kingdom executive, the authorised United Kingdom representative or an employee within section 8(4)(c) of the Act. The appropriate particulars specified in Schedule 6 to these Regulations shall be completed for each person listed.
- 7. Names of main agents in the United Kingdom.

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8. Particulars of any association which exists or which is proposed to exist between the directors or controllers of the company and any person who acts or will act as an insurance broker, agent, loss adjuster or reinsurer for the company in the United Kingdom.

Statement from head office supervisor

9. A statement—

- (a) in the case of a company other than a Swiss general insurance company, from the supervisory authority in the State in which the company has its head office stating the classes of insurance business which the company is authorised to carry on in that State; or
- (b) in the case of a Swiss general insurance company, from the supervisory authority in Switzerland—
 - (i) stating the classes of insurance business which the company is authorised to carry on in Switzerland,
 - (ii) declaring that the company is constituted in Switzerland in a form permitted by Annex 3 to the Agreement signed on 10th October 1989 between the European Economic Community and the Swiss Confederation on direct insurance other than life assurance⁽²⁾, and
 - (iii) confirming that the company limits its business to insurance and to operations arising directly therefrom to the exclusion of all other commercial business, and in each case specifying the risks covered there, declaring that the company has the required solvency margin or minimum guarantee fund and specifying the financial resources from which the costs referred to in paragraph 17 below will be met.

Authorisations to be continued

10. Particulars of classes of insurance business for which the company is already authorised in the United Kingdom and which it wishes to be included in the new authorisation.

Scheme of operations for the United Kingdom

11. † The sources of business in the United Kingdom (for example, insurance brokers, agents, own employees or direct selling) and the approximate percentage expected from each source.

12. † The nature of the risks which the company proposes to cover in the United Kingdom and the general and special policy or treaty conditions which it proposes to use.

13. † The tariffs which the company proposes to apply for each category of business.

14. Notwithstanding paragraph 12 or 13 above, the general and special policy or treaty conditions which the company proposes to use and the tariffs which it proposes to apply for each category of business may be omitted—

- (a) in the case of direct business, in relation to large risks, and
- (b) in the case of reinsurance, in relation to general business class 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15 or 16.

15. † The guiding principles as to reinsurance of business written in the United Kingdom including the company's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers.

16. A statement showing the current margin of solvency of the company, the margin of solvency required and how both have been calculated.

(2) O.J. No. L205, 27.7.91. p.3.

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17. † The estimated costs of installing the administrative services and organisation for securing business in the United Kingdom and the financial resources intended to cover those costs and, in relation to general business class 18, the resources available for providing the assistance.

Projections for the United Kingdom

18. For each of the first three financial years following authorisation, in relation to the business to be carried on in the United Kingdom—

- (a) estimates relating to expenses of management (other than costs of installation) and in particular to current general expenses and commissions,
- (b) ‡ estimates relating to premiums or contributions (both gross and net of all reinsurance ceded) and to claims (after all reinsurance recoveries),
- (c) a forecast balance sheet for the proposed branch, and
- (d) the source and nature of the assets which will be used to cover any deficit shown in the forecast balance sheet.

Other information, accounts, agreements and treaties required

19. * Balance sheets and profit and loss accounts of the company for each of the last three financial years or, if the company has not been in business for three financial years, for each of the financial years for which it has been in business.

20. A statement showing the types of investments which are expected to represent the insurance funds in the United Kingdom and the estimated proportion which will be represented by each type of investment.

21. † Copies or drafts of any separate reinsurance treaties covering business written in the United Kingdom.

22. † Copies or drafts of any standard agreements which the company will have with brokers or agents in the United Kingdom.

23. † Copies or drafts of any agreements which the company will have with persons (other than employees of the company) who will manage the business of the proposed branch.

24. † Copies or drafts of any agreements which the company will have with main agents in the United Kingdom.

PART III

COMPANIES WHOSE HEAD OFFICE IS NOT IN AN EEA STATE (DIRECT BUSINESS OR BOTH DIRECT BUSINESS AND REINSURANCE)

The company

1. * Date of incorporation, place of incorporation and registered number.
2. * Brief summary of the objects of the company.
3. A statement of the classes of insurance business which the company is authorised to carry on in the country in which its head office is situated.
4. The assets which represent or will represent the minimum guarantee fund in the United Kingdom being assets admissible under and valued in accordance with Part VIII of these Regulations.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

5. * Name and address of the auditors of the company in the United Kingdom.
6. * Names and addresses of the company's principal bankers in the United Kingdom.
7. § Names of the persons who will be directors, controllers or managers of the company, its principal United Kingdom executive or its authorised United Kingdom representative. The appropriate particulars specified in Schedule 6 to these Regulations shall be completed for each person listed.
8. Particulars of any association which exists or which is proposed to exist between the directors or controllers of the company and any person who acts or will act as an insurance broker, agent, or loss adjuster for the company in the United Kingdom or a reinsurer of the company.
9. Names of main agents in the United Kingdom.

Authorisations to be continued

10. Particulars of classes of insurance business for which the company is already authorised in the United Kingdom and which it wishes to be included in the new authorisation.

Scheme of operations for the United Kingdom

11. † The sources of business in the United Kingdom (for example insurance brokers, agents, own employees or direct selling) and the approximate percentage expected from each source.
12. † The nature of the risks which the company proposes to cover in the United Kingdom and the general and special policy or treaty conditions which it proposes to use.
13. † The tariffs which the company proposes to apply for each category of business in the United Kingdom.
14. Notwithstanding paragraph 12 or 13 above, the general and special policy or treaty conditions which the company proposes to use and the tariffs which it proposes to apply for each category of business may be omitted—
 - (a) in the case of direct business, in relation to large risks, and
 - (b) in the case of reinsurance, in relation general business class 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15 or 16.
15. † The guiding principles as to reinsurance of business written in the United Kingdom including the company's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers.

Projections for the United Kingdom

16. For each of the first three financial years following authorisation, in relation to the business to be carried on in the United Kingdom—
 - (a) estimates relating to expenses of management (other than costs of installation) and in particular to current general expenses and commissions,
 - (b) ‡ estimates relating to premiums or contributions (both gross and net of all reinsurance ceded) and to claims (after all reinsurance recoveries), and
 - (c) a forecast balance sheet for the proposed branch.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Other information, accounts, agreements and treaties required

17. ‡ Estimates of world-wide premium income both gross and net of reinsurance ceded in each of the first three financial years following authorisation and broken down between the United Kingdom, other EEA States and elsewhere.

18. Brief description of the risks the company will underwrite outside the United Kingdom.

19. Brief summary of the reinsurance arrangements for the business of the company written outside the United Kingdom including the company's maximum retention per risk or event after all reinsurance ceded and the names of the principal reinsurers.

20. Estimated capital expenditure in respect of operations outside the United Kingdom during each of the first three financial years after authorisation.

21. A statement showing the current margin of solvency of the company (after application of valuation regulations), the margin of solvency required and how both have been calculated.

22. † The estimated costs of installing the administrative services and organisation for securing business in the United Kingdom and the financial resources intended to cover those costs and, in relation to general business class 18, the resources available for providing the assistance.

23. * Balance sheets and profit and loss accounts of the company for each of the last three financial years or, if the company has not been in business for three financial years, for each of the financial years for which it has been in business.

24. A statement showing the types of the investments which are expected to represent the insurance funds in the United Kingdom and the estimated proportion which would be represented by each type of investment.

25. † Copies or drafts of any separate reinsurance treaties covering business written in the United Kingdom.

26. † Copies or drafts of any standard agreements which the company will have with brokers or agents in the United Kingdom.

27. † Copies or drafts of any agreements which the company will have with persons (other than employees of the company) who will manage the business of the proposed branch.

28. † Copies or drafts of any agreements which the company will have with main agents in the United Kingdom.

PART IV

COMPANIES WHOSE HEAD OFFICE IS NOT IN THE UNITED KINGDOM (REINSURANCE ONLY)

The company

1. * Date of incorporation, place of incorporation and registered number.

2. * A brief summary of the objects of the company.

3. A statement showing the classes of insurance business which the company is authorised to carry on in the country in which its head office is situated and particulars of any limitation.

4. * Balance sheets and profit and loss accounts of the company for each of the last three financial years or, if the company has not been in business for three financial years, for each of the financial years for which it has been in business.

5. A statement showing the current margin of solvency of the company (after application of valuation regulations), the margin of solvency required and how both have been calculated

6. * Name and address of the auditors of the company in the United Kingdom.

7. * Names and addresses of the company's principal bankers in the United Kingdom.

8. § Names of the persons who will be directors, controllers or managers of the company, its principal United Kingdom executive or its authorised United Kingdom representative. The appropriate particulars specified in Schedule 6 to these Regulations shall be completed for each person listed.

9. Names of main agents in the United Kingdom.

10. Particulars of any association which exists or which is proposed to exist between the directors or controllers of the company and any person who acts or will act as an insurance broker, agent or loss adjuster for the company in the United Kingdom or a retrocessionaire of the company.

Authorisations to be continued

11. Particulars of classes of insurance business for which the company is already authorised in the United Kingdom and which it wishes to be included in the new authorisation.

Scheme of operations for the United Kingdom

12. † The sources of business in the United Kingdom (for example, insurance brokers or direct selling) and the approximate percentage expected from each source.

13. † The nature of the risks which the company proposes to cover in the United Kingdom and the general and special contracts or treaties which it proposes to use.

14. † The guiding principles as to reinsurance of business written in the United Kingdom including the company's maximum retention per risk or event after all retrocessions and the names of the principal retrocessionaires.

15. †‡ Estimates of the premium income (both gross and net of reinsurance) in the United Kingdom in each of the first three financial years following authorisation.

16. The estimated costs of installing the administrative services and the organisation for securing business in the United Kingdom and the financial resources intended to cover those costs.

Other information, agreements and treaties required

17. Brief description of risks underwritten by the company outside the United Kingdom.

18. Brief summary of the retrocession arrangements for the business of the company written outside the United Kingdom including the company's maximum retention per risk or event after all retrocessions and the names of the principal retrocessionaires.

19. For each of the first three financial years following authorisation—

- (a) estimates relating to expenses of management (other than costs of installation) and in particular to current general expenses and commissions,
- (b) ‡ estimates relating to premiums or contributions (both gross and net of retrocessions) and broken down between the United Kingdom, other EEA States and elsewhere,
- (c) ‡ estimates relating to claims (after all reinsurance recoveries),
- (d) a forecast balance sheet, and

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- (e) estimates relating to the financial resources intended to cover underwriting liabilities and the margin of solvency.
20. A statement showing the types of investments which are expected to represent the insurance funds and the estimated proportion which will be represented by each type of investment.
21. † Copies or drafts of any separate reinsurance treaties covering business written in the United Kingdom.
22. † Copies or drafts of any standard agreements which the company will have with reinsurance brokers or agents in the United Kingdom.
23. † Copies or drafts of any agreements which the company will have with persons (other than employees of the company) who will manage the business of the proposed branch.
24. † Copies or drafts of any agreements which the company will have with main agents in the United Kingdom.

SCHEDULE 3

Regulation 17

GENERAL BUSINESS SOLVENCY MARGIN: FIRST METHOD OF CALCULATION (PREMIUM BASIS)

1. In this Schedule—
- “gross premiums”, in relation to an insurance company and a financial year—
- (a) means premiums after deduction of discounts, refunds and rebates of premium but before deduction of premiums for reinsurance ceded and before deduction of commission payable by the company, and
- (b) includes premiums receivable by the company under reinsurance contracts accepted by the company;
- “receivable”, in relation to an insurance company, a financial year and a premium, means recorded in the company’s books as due to the company in respect of—
- (a) a contract commencing in that year, or
- (b) a contract not accounted for in an annual revenue account of the company prior to that year, even though the contract commenced in an earlier financial year, whether or not the company has received the premium;
- “recoverable”, in relation to an insurance company and a financial year, means recorded in the company’s books as due in that year, whether or not the company has received any payment.
2. The gross premiums receivable in respect of the company’s entire general business for the last preceding financial year shall be aggregated.
3. From the aggregate arrived at under paragraph 2 above there shall be deducted—
- (a) any taxes included in the premiums mentioned in paragraph 2 above, and
- (b) any levies that are related to premiums and are recorded in the company’s books as payable in the last preceding financial year in respect of general business.
4. The amount arrived at under paragraph 3 above shall be multiplied by twelve and divided by the number of months in the financial year.

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5. If the amount arrived at under paragraph 4 above is more than 10 million units of account, it shall be divided into two portions, the former consisting of 10 million units of account and the latter comprising the excess.

6. Where there has been a division into two portions pursuant to paragraph 5 above, there shall be calculated and added together 18 per cent. and 16 per cent. of the two portions respectively; and where there has been no such division, there shall be calculated 18 per cent. of the amount arrived at under paragraph 4 above.

7. In the case of general business consisting of health insurance based on actuarial principles, paragraph 6 above shall apply with the substitution of “6 per cent.” for “18 per cent.” and “5 1/3 per cent.” for “16 per cent.”, but only if all the necessary conditions are satisfied.

8. For the purposes of paragraph 7 above, the necessary conditions are as follows, that is to say—
- (a) the gross premiums receivable shall be calculated on the basis of sickness tables appropriate to insurance business;
 - (b) the reserves shall include provision for increasing age;
 - (c) an additional premium shall be collected in order to set up a safety margin of an appropriate amount;
 - (d) it shall not be possible for the insurer to cancel the contract after the end of the third year of insurance;
 - (e) the contract shall provide for the possibility of increasing premiums or reducing payments during its currency.

9. Where paragraph 7 above applies to a company whose general business consists partly of health insurance based on actuarial principles and partly of other business, the procedure provided in paragraphs 2 to 7 above shall operate separately for each part of the general business, so as to produce a sum under paragraph 7 above for the health insurance and a sum under paragraph 6 above for the other business.

10.—(1) If the provision for claims outstanding at the end of the last preceding financial year exceeds the provision for claims outstanding at the beginning of that year, the amount of the excess shall be added to the amount of claims paid in the last preceding financial year.

(2) If the provision for claims outstanding at the beginning of the last preceding financial year exceeds the provision for claims outstanding at the end of that year, the amount of the excess shall be deducted from the amount of claims paid in the last preceding financial year.

11.—(1) For the purposes of paragraph 10 above, the amount of claims paid, in relation to an insurance company and a financial year, is the amount that is recorded in the company’s books as at the end of the financial year—

- (a) in relation to general business classes 1 to 17, as paid by it (whether or not payment has been effected in that year) in full or partial settlement of the claims described in sub-paragraph (2) below and the expenses described in sub-paragraph (3) below, or,
- (b) in relation to general business class 18, as being the costs borne by the insurance company (whether or not borne in that year) in respect of the assistance given,

less (in either case) any recoverable amounts within the meaning of sub-paragraph (4) below.

(2) The claims mentioned in sub-paragraph (1) above are claims under contracts of insurance (and under contracts of reinsurance accepted by the company) including claims relating to business accounted for over a longer period than a financial year.

(3) The expenses mentioned in sub-paragraph (1) above are expenses (such as, for example, legal, medical, surveying or engineering costs) which are incurred by the company, whether through the

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employment of its own staff or otherwise, and are directly attributable to the settlement of individual claims, whether or not the individual claims in question are those mentioned in sub-paragraph (1) above.

(4) Recoverable amounts for the purposes of sub-paragraph (1) above are amounts recoverable by the company in respect of the claims mentioned in that sub-paragraph or other claims, including amounts recoverable by way of salvage, amounts recoverable from third parties and amounts recoverable from other insurers but excluding amounts recoverable in respect of reinsurance ceded by the company.

12.—(1) For the purposes of paragraph 10 above, the provision for claims outstanding, in relation to an insurance company and a financial year, is (subject to any applicable valuation regulations) the amount set aside by the company as at the beginning or end of the financial year as being an amount likely to be sufficient to meet—

- (a) the claims described in sub-paragraph (2) below, and
- (b) the expenses described in sub-paragraph (3) below,

less any recoverable amounts within the meaning of sub-paragraph (4) below.

(2) The claims mentioned in sub-paragraph (1) above are claims under contracts of insurance (and under contracts of reinsurance accepted by the company) in respect of incidents occurring—

- (a) in the case of an amount set aside as at the beginning of the financial year, before the beginning of that year, and
- (b) in the case of an amount set aside as at the end of a financial year, before the end of that year.

being claims which have not been treated as claims paid and including claims relating to business accounted for over a longer period than a financial year, claims the amounts of which have not been determined and claims arising out of incidents that have not been notified to the company.

(3) The expenses mentioned in sub-paragraph (1) above are expenses (such as, for example, legal, medical, surveying or engineering costs) which are likely to be incurred by the company, whether through the employment of its own staff or otherwise, and are directly attributable to the settlement of individual claims, whether or not the individual claims in question are those mentioned in sub-paragraph (1) above.

(4) Recoverable amounts for the purposes of sub-paragraph (1) above are amounts estimated by the company to be recoverable by it in respect of the claims mentioned in that sub-paragraph, including amounts recoverable by way of salvage, amounts recoverable from third parties and amounts recoverable from other insurers but excluding amounts recoverable in respect of reinsurance ceded by the company.

13. From the amount determined under paragraph 10(1) or (2) above there shall be deducted the total sum recoverable in respect of that amount under reinsurance contracts ceded.

14. The amount determined under paragraph 13 above shall be expressed as a percentage of the amount determined under paragraph 10(1) or (2) above.

15. The sum arrived at under paragraph 6 or 7 above or the aggregate of the sums arrived at under those paragraphs, as the case may be, shall be multiplied—

- (a) where the percentage arrived at under paragraph 14 above is greater than 50 per cent. but not greater than 100 per cent., by the percentage so arrived at,
- (b) where the percentage so arrived at is greater than 100 per cent., by 100 per cent., and
- (c) in any other case, by 50 per cent.

SCHEDULE 4

Regulation 17

GENERAL BUSINESS SOLVENCY MARGIN: SECOND METHOD OF CALCULATION (CLAIMS BASIS)

1. In this Schedule “reference period”, in relation to an insurance company, means either—
 - (a) the three last preceding financial years, or
 - (b) the seven last preceding financial years if more than one-half of the gross premiums receivable (as defined in Schedule 3) in that period were in respect of all or any of the following, namely, storm (as included in general business class 8), hail (as included in general business class 9), frost (as included in general business class 9) and credit (as included in general business class 14).
2. If a company has not been in existence long enough to acquire a reference period, this Schedule shall be deemed to give a lower result than that given by Schedule 3 and shall otherwise not apply to the company.
- 3.—(1) If the provision for claims outstanding at the end of the reference period exceeds the provision for claims outstanding at the beginning of the reference period, the amount of the excess shall be added to the amount of claims paid in the reference period.
 - (1) If the provision for claims outstanding at the beginning of the reference period exceeds the provision for claims outstanding at the end of the reference period, the amount of the excess shall be deducted from the amount of claims paid in the reference period.
 - (3) For the purposes of this paragraph, the expressions “amount of claims paid” and “provision for claims outstanding” have, in relation to a reference period, the same meaning as they have in paragraph 10 of Schedule 3 in relation to a financial year.
4. The aggregate obtained under paragraph 3(1) or (2) above shall be divided by the number of months in the reference period and multiplied by twelve.
5. If the amount arrived at under paragraph 4 above is more than 7 million units of account, it shall be divided into two portions, the former consisting of 7 million units of account and the latter comprising the excess.
6. Where there has been a division into two portions pursuant to paragraph 5 above, there shall be calculated and added together 26 per cent. and 23 per cent. of the two portions respectively; and where there has been no such division, there shall be calculated 26 per cent. of the amount arrived at under paragraph 4 above.
7. In the case of general business consisting of health insurance based on actuarial principles, paragraph 6 above shall apply with the substitution of “ $8\frac{2}{3}$ per cent.” for “26 per cent.” and “ $7\frac{2}{3}$ per cent.” for “23 per cent.”, but only if all the necessary conditions are satisfied.
8. The necessary conditions for the purposes of paragraph 7 above are the same as those set out in paragraph 8 of Schedule 3.
9. In a case of the kind mentioned in paragraph 9 of Schedule 3, that paragraph shall apply (with the necessary modifications) so as to produce separate sums under paragraphs 6 and 7 above.
10. The sum arrived at under paragraph 6 or 7 above or the aggregate of the sums arrived at under those paragraphs, as the case may be, shall be multiplied by the same percentage as is applicable for the purposes of paragraph 15 of Schedule 3.

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SCHEDULE 5

Regulation 22

MINIMUM GUARANTEE FUND

Long term business

1. Subject to paragraph 7 below, the minimum guarantee fund for long term business shall be—
 - (a) in the case of a pure reinsurer which—
 - (i) is the wholly-owned subsidiary of an insurance company carrying on long term business, and
 - (ii) carries on only such reinsurance business as is ceded to it by that company, 200,000 units of account,
 - (b) in the case of a mutual, 600,000 units of account, and
 - (c) in any other case, 800,000 units of account.

General business

2. Subject to paragraphs 3 to 7 below, the minimum guarantee fund for general business shall be the amount shown in the table below as applicable to the general business class for which the relevant company is authorised (or the highest such amount if the company is authorised for more than one class).

GENERAL BUSINESS CLASS	AMOUNT
Class 10, 11, 12, 13, 14 or 15	400,000 units of account
Class 1, 2, 3, 4, 5, 6, 7, 8, 16 or 18	300,000 units of account
Class 9 or 17	200,000 units of account

3. In the case where the risks covered fall within class 14 of Part I of Schedule 2 to the Act and where the annual amount of premiums or contributions of the company due in respect of that class for each of the preceding three financial years exceeded 2,500,000 units of account or 4 per cent. of the total amount of premiums or contributions receivable by the company, for the amount of units of account given in the table in paragraph 2 above there shall be substituted the amount of 1,400,000 units of account.

4. Where a company carrying on credit insurance business is required to increase the amount of units of account pursuant to paragraph 3 above, the company shall have:—

- a period of three years in which to bring the fund up to 1,000,000 units of account;
- a period of five years to bring the fund up to 1,200,000 units of account;
- a period of seven years to bring the fund up to 1,400,000 units of account;

such periods to run from the date on which the criteria set out in paragraph 3 are fulfilled.

5. A company authorised for part of a class shall, for the purposes of paragraph 2 above, be regarded as authorised for the whole of the class.

6. In the case of a mutual, the minimum guarantee fund required by paragraphs 2 to 5 above shall be reduced by 25 per cent.

Long term and general business

7. In relation to a United Kingdom or EEA margin of solvency maintained under section 32(2) (b) or (3)(b) of the Act, the minimum guarantee fund for long term business or general business shall be one-half of the amount arrived at by applying the foregoing provisions of this Schedule.

SCHEDULE 6

Regulation 34

CHANGE OF CONTROL ETC.

PART I

INTERPRETATION

For the purposes of this Schedule—

“authority” means a licence or equivalent authorisation which may only be granted if the applicant fulfils criteria specified in legislation or by a supervisory or judicial authority or by a self-regulating organisation or professional body to carry on any business activity;

“court” means any court wheresoever in the world;

“group of companies” means a holding company and subsidiary within the meaning of section 736 of the Companies Act 1985⁽³⁾;

“position holder” includes a proposed position holder.

PART II

SPECIFIED PARTICULARS AND NOTICES

1. In the case of an authorised insurance company notifying the Secretary of State pursuant to section 60(1) of the Act of an individual who is the company’s proposed managing director, chief executive or principal United Kingdom executive the particulars to be provided are those set out in A to G of Part III of this Schedule together with Notice 1 in Part III of this Schedule.

2. In the case of an individual notifying the Secretary of State pursuant to section 61(1) of the Act that he is a proposed controller (other than a managing director of either the authorised insurance company or a parent company of it or chief executive of either the authorised insurance company or a parent of it which is an insurance company), the particulars to be provided are those set out in A to G of Part III of this Schedule and those set out in F2, F3 and H in Part IV of this Schedule together with Notice 2 in Part III of this Schedule.

3. In the case of an individual notifying the Secretary of State pursuant to section 61(1) of the Act that he is the proposed managing director of a parent company of the authorised insurance company or chief executive of a parent company which is an insurance company, the particulars to be provided are those set out in A to G of Part III of this Schedule and those set out in H2 to H6 of Part IV of this Schedule together with Notice 2 in Part III of this Schedule.

4. In the case of an individual who is a newly appointed director, manager, authorised United Kingdom representative or employee within section 8(4)(c) of the Act, the particulars to be provided,

(3) Section 736 was substituted by the Companies Act 1989 (c. 40), section 144(1).

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pursuant to section 62(1) of the Act, are those set out in A to G of Part III of this Schedule together with Notice 3 in Part III of this Schedule.

5. In the case of an authorised insurance company notifying the Secretary of State pursuant to section 60(1) of the Act that it proposes to appoint a body corporate who is the company's proposed managing director, chief executive or principal United Kingdom executive the particulars to be provided are those set out in A to E, F1 and G of Part IV of this Schedule together with Notice 1 in Part IV of this Schedule.

6.—(1) In the case of a body corporate notifying the Secretary of State pursuant to section 61(1) of the Act that it is a proposed controller (other than a managing director or chief executive of the authorised insurance company), the particulars to be provided are those set out in A to I of Part IV of this Schedule together with Notice 2 in Part IV of this Schedule.

(2) Where several of the same group of companies are serving notice pursuant to section 61(1) of the Act—

- (a) the particulars set out in A to F of Part IV of this Schedule may be provided by one member company only;
- (b) that member company should be the one likely to be most active in exercising control of the authorised insurance company;
- (c) the company providing these particulars shall give the required particulars in respect of all companies in the group other than existing controllers of the authorised insurance company (whether proposed corporate controllers or not);
- (d) where historical information is sought, the member company shall give it in respect of companies which are currently part of the group whether or not they were part of the group at the relevant time;
- (e) every proposed corporate controller shall provide Notice 2 in Part IV of this Schedule.

(3) Where the company in respect of which the notification is made is proposed as a controller of more than one authorised insurance company, the particulars set out in A to E, F1 and G of Part IV of this Schedule need be provided only once.

7. In the case of a body corporate which is a newly appointed director, manager, authorised United Kingdom representative or employee within section 8(4)(c) of the Act, the particulars to be provided, pursuant to section 62(1) of the Act, are those set out in A to E, F1 and G of Part IV of this Schedule together with Notice 3 in Part IV of this Schedule.

8. In the case of a person notifying an authorised insurance company pursuant to section 62(1) of the Act that he has become a controller, or a shareholder controller of any description, the particulars to be provided are those set out in Part V of this Schedule.

9. In the case of a person notifying an authorised insurance company pursuant to Section 62(1) of the Act that he has ceased to be a controller, or a shareholder controller of any description, the particulars to be provided are those set out in Part VI of this Schedule.

10. Where pursuant to section 60(1), 61(1) or section 62(1) of the Act, notification is to be given, or particulars are to be provided, to an authorised insurance company or to the Secretary of State by or in respect of a partnership, the particulars to be provided by or on behalf of the partnership shall be those of each individual partner or body corporate partner as if such partner was the position holder.

PART III

APPOINTMENT OF INDIVIDUAL PARTICULARS TO BE PROVIDED

A: Particulars of authorised insurance company

- A1.** Name of authorised insurance company in respect of which the notification is being given.
- A2.** The proposed or assumed position to which the notification relates.
- A3.** If the proposed position is that of controller, the provision of section 96C of the Act by virtue of which the individual serving notice would become a controller.

B: Partnerships

- B1.** If the notification is being given because the individual is a member of a partnership, the name of the partnership.

C: Personal details of individual

- C1.** Full name (which shall be given in the order surname/forenames and including title and any name by which commonly known).
- C2.** Any previous names by which known (including name before marriage).
- C3.** Any trading names used as a sole trader in the last ten years.
- C4.** Date of birth (which shall be given in the order day/month/year).
- C5.** Place of birth (including town and where appropriate the London borough).
- C6.** Private address or addresses.
- C7.** If other than the particulars specified in response to C6 above, the address or addresses of any residence outside the United Kingdom in the last five years and the dates of such residence.
- C8.** Nationality, including a statement as to whether it was acquired by birth or naturalisation, and if by naturalisation a statement when so acquired. In the case of dual nationality, the details of each nationality.

D: Experience

- D1.** Relevant United Kingdom and overseas qualifications.
- D2.** Details of all employment or occupation over the last ten years, including names and addresses of employers, dates of employment or occupation (months and years), positions held, summary of responsibilities and reasons for leaving. Any intervals between employment or occupation shall be explained.

E: Other business interests

- E1.** Details of all directorships currently held.
- E2.** Details of all other directorships held during the last ten years.

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E3. Details of all bodies corporate in which the individual or a partnership in which the individual is a partner is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power at any general meeting, together with a brief description of his activities.

F: Reputation and Character

Notes:

Information shall be provided in this section in respect of events whether they occurred in the United Kingdom or elsewhere.

* This information is required only in respect of events which occurred within the ten years immediately prior to the notification.

F1. Details of any authority (as defined) held from any supervisory body as an individual to carry on business.

F2. Details of any draft or formal application made for an authority from a supervisory body to carry on business other than an authority already mentioned in response to F1 above. If any application was, for any reason, refused or withdrawn, particulars of the refusal or withdrawal.

F3. Details of any conviction for any offence involving fraud or other dishonesty or under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, consumer credit or consumer protection. Details shall include the court where the conviction took place, the offence, the penalty imposed and the date of the conviction. By virtue of article 3(a)(iii) of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975(4), spent convictions shall be disclosed.

F4. Details of other convictions, including full particulars of the court where the conviction took place, the offence, the penalty imposed and the date of the conviction.

F5. * Details of any case of failure to satisfy a judgment debt under a court order within a year of the making of the order.

F6. * Details of any compromise or arrangement with creditors or other failure to satisfy creditors in full.

F7. * Details of the presentation of any petition for the bankruptcy of the individual and the appointment of any receiver, or any administrator of the individual's estate or of any person performing a similar function.

F8. * Details of the winding up of any company, or the subsidiary of any company, of which the individual is or was a controller within 5 years of the commencement of the winding up.

F9. Details of any adjudication by a court making the individual liable for any fraud, misfeasance or wrongful trading or other misconduct in respect of the formation or management of any company, partnership or unincorporated association.

F10. Details of any dismissal from any office or employment or from any fiduciary office or position of trust whether or not remunerated (unless already notified in response to D2 above).

F11. * Details of any refusal of entry to any professional body or trade association or any case where an application was not made following an initial approach to any professional association or trade association.

F12. * Details of any disqualification by a court from acting as a director or being concerned in the management of a company.

(4) [S.I. 1975/1023](#).

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F13. * Details of any case of warning, censure, prosecution, criticism or court order made at the instigation of any regulatory body.

G: Other details

G1. Any other details relevant to the Secretary of State’s consideration of the notification.

NOTICES

Notes:

- * Insert name of individual
- ** Insert name of authorised insurance company
- Insert name of partnership
- † Delete as appropriate
- § Insert date of appointment (in the order day/month/year)

Notice 1

**** proposes to appoint*/a partnership named of which * is a partner, as its managing director†/chief executive†/principal United Kingdom executive†.**

Signed (Director†/Secretary†
of the insurance company)

Date

The particulars provided in this notice are complete and true to the best of my knowledge, information and belief. This notice is served with my knowledge and consent.

Signed (the proposed)

Date

Notice 2

I propose†/A partnership named of which I am a partner proposes† to become a controller (other than as its managing director or chief executive) of.**

The particulars provided in this notice are complete and true to the best of my knowledge, information and belief.

Signed (the proposed)

Date

Notice 3

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The particulars provided in this notice are complete and true to the best of my knowledge, information and belief. If/ A partnership named of which I am a partner† was appointed on §.

Signed (the appointee)

Date

PART IV

APPOINTMENT OF BODY CORPORATE

PARTICULARS TO BE PROVIDED

A: Particulars of authorised insurance company

A1. Name or names of the authorised insurance company or companies in respect of which notice is being given.

A2. The proposed or assumed position to which the notification relates.

A3. Provision of section 96C of the 1982 Act by virtue of which the body corporate serving notice would become a position holder.

B: Partnerships

B1. If the notification is being given because the body corporate is a partner in a partnership, the name of the partnership.

C: Corporate particulars of the position holder

C1. Name.

C2. Any other corporate or trading name used in the past ten years.

C3. Date of incorporation; the date shall be given in the order day/month/year.

C4. Country of incorporation.

C5. Where the company is an overseas company within the meaning of Part XXIII of the Companies Act 1985 or Part XXIII of the Companies (Northern Ireland) Order 1986, the company's United Kingdom registered number and the date of registration.

C6. Registered number.

C7. Address of registered office.

C8. Address of principal place of business in the United Kingdom.

C9. Where the company is an overseas company within the meaning of Part XXIII of the Companies Act 1985 or Part XXIII of the Companies (Northern Ireland) Order 1986, the name and address of the person authorised to accept service of documents.

C10. Summary of the share ownership identifying those owning more than 10 per cent. of the shares, a group structure chart, identifying the principal companies in the group, and details of any proposed changes in the share ownership.

C11. Any reports, resolutions and other circulars issued to shareholders during the last four years.

D: Management details of the position holder

The full names (including titles and names by which commonly known) and addresses of—

D1. the directors, together with details of the positions within the company held by each director;

D2. the secretary (if any);

D3. the chief executive (if any).

E: Professional support of position holder

E1. Name and address of principal banker.

E2. Name and address of auditor.

F: Financial aspects of the position holder

F1. Audited accounts (and, where appropriate, audited group accounts) should be provided for the last three financial years (if available). If the most recent audited accounts are more than six months out of date, management accounts or interim accounts (neither of which need be audited) shall be provided showing the current financial position and the current results.

F2. Terms on which the position of controller is to be acquired.

F3. Full details of all financial transactions which have been, or will be, entered into to enable the proposed controller to attain control.

G: Conduct of business by the position holder

Note:

* This information shall be provided in respect of any such events within the last ten years both in the United Kingdom and elsewhere.

G1. Nature of the position holder's business.

G2. * Details of any authority (as defined) held from a supervisory body to carry on business.

G3. * Details of any draft or formal application made for an authority from a supervisory body to carry on business other than an authority already mentioned in response to F2 above. If any such application was, for any reason, refused or withdrawn, particulars of the refusal or withdrawal.

G4. * Details of any case of failure to satisfy a judgement debt under a court order within a year of the making of the order.

G5. * Details of any compromise or arrangement with creditors or other failure to satisfy creditors in full.

G6. * Details of the appointment of any receiver or administrative receiver or the substantial equivalent of any such person including whether that person is still acting under the appointment.

G7. * Details of any petition served on the position holder for an administration order or the substantial equivalent.

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G8. * Details of any case of warning, censure, prosecution, criticism, or court order made at the instigation of any regulatory body.

G9. * Details of any refusal of entry to any professional body or trade association or of any case where an application was not made following an initial approach to any professional body or trade association.

G10. Details of any current, pending or proposed litigation, which is likely to proceed, whether in the United Kingdom or elsewhere, and which may have a material effect on the position holder.

H: Exercise of controllership

Notes:

These particulars shall not apply if the notification is made as part of an application for authorisation.

* These particulars are required only if the information is known when this notice is served.

H1. Reasons for seeking to become a controller of the authorised insurance company.

H2. Intended changes (if any) to the business strategy of the authorised insurance company; a proposed business plan if there are intended changes.

H3. * Any intended appointments of, removals of, or changes in the responsibilities of, the directors, the chief executive, managers and main agent (as defined in section 96E of the Act) of the authorised insurance company.

H4. * Intended changes (if any) to the sources of business of the authorised insurance company (insurance brokers, agents, own employees or direct selling).

H5. * Intended changes (if any) to the authorised insurance company's guiding principles concerning reinsurance.

H6. * Details of any transactions or arrangements in which the proposed controller is engaged or expects to engage with the authorised insurance company (excluding receipt of dividends).

I. Other details

I1. Any other details relevant to the Secretary of State's consideration of this notification.

Notices

Notes:

* Insert name of body named at C1 above

** Insert name of the authorised insurance company

... .. Insert name of partnership

† Delete as appropriate

§ Insert date of appointment (in the order **day/month/year**)

Notice 1

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****** proposes to appoint ***†**/ a partnership named.....of which ***** is a partner†, as its managing director†/chief executive†/principal United Kingdom executive†.

Signed (Director†/Secretary† of the insurance company)

Date

The particulars provided in this notice are complete and true to the best of my knowledge, information and belief. This notice is served with my knowledge and consent.

Signed (Director†/Secretary† of*)

Date

Notice 2

†**/the partnership namedof which ** is a partner, proposes to become a controller (other than managing director or chief executive) of ******.

The particulars provided in this notice are complete and true to the best of my knowledge, information and belief.

Signed (Director†/Secretary† of*)

Date

Notice 3

The particulars provided in this notice are complete and true to the best of my knowledge, information and belief. ***†**/ A partnership namedof which ***** is a partner† was appointed on §.

Signed (Director†/Secretary† of*)

Date

PART V

PERSON BECOMING CONTROLLER OR SHAREHOLDER CONTROLLER OF ANY DESCRIPTION

PARTICULARS TO BE PROVIDED AND NOTICE

1. Name of authorised insurance company.
2. Name of person in respect of which notification is being given.
3. Position assumed and details of the circumstances by which that position was assumed.

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4. In the case of a United Kingdom company, if the position assumed is that of shareholder controller of any description provided for by section 96C(3) of the Act—

- (a) the appropriate shareholder controller description; and
- (b) the percentage of shares or voting power which he or it (alone or with any associate or associates) holds or is entitled to exercise or control.

5. Date of original notification of details of proposed appointment or intention to become a controller: the date shall be given in the order **day/month/year**.

6. Date position assumed: the date shall be given in the order **day/month/year**.

The provisions of sections 60 and 61 of the Act have been complied with and no notice of objection was served.

Signed (either by an individual becoming a controller or shareholder controller of any description or by a director/secretary of the body corporate becoming a controller or shareholder controller of any description)

Date

PART VI

PERSON CEASING TO BE CONTROLLER OR SHAREHOLDER CONTROLLER OF ANY DESCRIPTION

PARTICULARS TO BE PROVIDED AND NOTICE

1. Name of insurance company.
2. Name of person ceasing to be a controller or (if a United Kingdom company) a shareholder controller of any description.
3. Date person ceased to be a controller or a shareholder controller of any description: the date shall be given in the order **day/month/year**.
4. Reason for ceasing to be a controller or a shareholder controller of any description.
5. If the person remains a shareholder controller of any description provided for by section 96C(3) of the Act, the percentage of the shares or voting power which he will (alone or with any associate or associates) be entitled to exercise or control.

Signed (either by an individual ceasing to be a controller or shareholder controller of any description or by a director/secretary of the body corporate ceasing to be a controller or shareholder controller of any description)

Date

SCHEDULE 7

Regulation 41

STATUTORY NOTICE: NON-INVESTMENT CONTRACTS

[Insert the name and address of the person to whom this Notice is sent]

IMPORTANT! YOU SHOULD READ THIS CAREFULLY

STATUTORY NOTICE† RELATING TO LONG-TERM INSURANCE CONTRACT

YOUR RIGHT TO CHANGE YOUR MIND

[Identify the contract to which the notice relates or state how it may be identified, e.g. by reference to an accompanying contract note]

You {**have entered into/have applied to enter**} the above contract with [insert name or otherwise identify insurer with whom the contract is being entered into].

You have a legal right to consider the matter again and change your mind if you wish.

Points you should consider

Before you decide whether you want to change your mind, ask yourself:

- If you received personal advice on your policy, are you clear whether that advice was given by an independent adviser working on your behalf or by someone representing the insurer?
- Have you received all the information you want in order to understand your policy?
- Are you satisfied that the policy is suitable for your needs?

If the answer to any of these questions is NO, you should consult your adviser {**or the insurer**} as quickly as possible. There is no extension to the cancellation period if you ask for further information or if the reply is delayed.

Your right to withdraw from the transaction

If you wish to go ahead with the transaction you should do nothing with the attached notice of cancellation.

{If the contract is an EC contract insert:**

If you wish to withdraw, you should send the notice of cancellation to [insert the name and address of the person to whom the notice of cancellation should be sent] and you must post it on or before {**if the contract is already in force insert: the 14th day after the day on which you received this notice**} {**if the contract is not yet in force insert: the 14th day after the date upon which you receive written notification informing you that the contract has become binding on you**}.

{If the contract is a non-EC contract insert:**

If you wish to withdraw, you should send the notice of cancellation to [insert the name and address of the person to whom the notice of cancellation should be sent] and you must post it before the end of—

- the tenth day after the day on which you received this notice; or
- the earliest day on which you know both that the contract has been entered into and that the first premium has been paid,

whichever is the later.**}

{**This notice deals with your statutory right to cancel and does not affect your common law right to withdraw an order, application or proposal before it has been accepted**}.

Financial consequences of withdrawal

If you withdraw, you are entitled to have repaid to you any money you have paid the insurer, and you will have to repay any amounts already paid to you by the insurer under the contract.

† This notice is issued in compliance with the requirements of regulations made under section 75 of the Insurance Companies Act 1982.

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SCHEDULE 8

Regulation 41

STATUTORY NOTICE: INVESTMENT CONTRACTS

[Insert the name and address of the person to whom this Notice is sent]

IMPORTANT! YOU SHOULD READ THIS CAREFULLY
STATUTORY NOTICE† RELATING TO LONG-TERM INSURANCE CONTRACT

YOUR RIGHT TO CHANGE YOUR MIND

[Identify the contract to which the notice relates or state how it may be identified, e.g. by reference to an accompanying contract note]

You {**have entered into/have applied to enter into**} the above contract with [insert name or otherwise identify insurer with whom the contract is being entered into].

You have a legal right to consider the matter again and change your mind if you wish.

Points you should consider

Before you decide whether you want to change your mind, ask yourself:

- If you received personal advice on your policy, are you clear whether that advice was given by an independent adviser working on your behalf or by someone representing the insurer?
- Have you received all the information you want in order to understand your policy?
- Are you satisfied that the policy is suitable for your needs?
- Do you, for example:
 - Understand how much you will pay now and in the future?
 - Understand what benefits will be paid under the policy — either at the end of the policy term or if you die before the end of the policy term? Do you also understand to what extent the benefits are guaranteed and to what extent they depend on how well the investment performs?
 - Understand that if you stop the policy in the early years you could lose money?
 - Understand the effect that any {**expenses/charges**} will have on your investment?

If the answer to any of these questions is NO, you should consult your adviser or the insurer as quickly as possible. There is no extension to the cancellation period if you ask for further information or if the reply is delayed.

Your right to withdraw from the transaction

If you wish to go ahead with the transaction you should do nothing with the attached notice of cancellation.

If you wish to withdraw you should send the notice of cancellation to [insert the name and address of the person to whom the notice of cancellation should be sent] and you must post it on or before {**if the contract is already in force insert: the 14th day after the day on which you received this notice**} {**if the contract is not yet in force insert: the 14th day after the date upon which you receive written notification informing you that the contract has become binding on you**}.

{**This notice deals with your statutory right to cancel and does not affect your common law right to withdraw an order, application or proposal before it has been accepted.**}

Financial consequences of withdrawal

If you withdraw, you are entitled to have repaid to you any money you have paid the insurer and you will have to repay any amounts already paid to you by the insurer under the contract.

†This notice is issued in compliance with the requirements of regulations made under section 75 of the Insurance Companies Act 1982.

{** **} Delete as appropriate.

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SCHEDULE 9

Regulation 41

NOTICE OF CANCELLATION

NOTICE OF CANCELLATION

(To be returned only if you wish to cancel the contract)

To [name of insurer]

I hereby give notice that I have decided not to proceed with this insurance contract; and I require the return of any money paid to you or your agent in connection with it.

Signed

Date

[Name and address of the person to whom the Statutory Notice is being sent]

This notice relates to insurance contract reference [contract reference number or code].

SCHEDULE 10

Regulation 43

PERMITTED LINKS

PART I

DESCRIPTIONS OF PROPERTY BY REFERENCE
TO WHICH BENEFITS MAY BE DETERMINED

1. Securities (other than derivative contracts) which are listed.
2. Unlisted securities (other than derivative contracts) in aggregate up to a maximum of 10 per cent. of the property linked benefits.
3. Land (including any interest in land) in an EEA State, Australia, Canada, the Channel Islands, Gibraltar, Hong Kong, the Isle of Man, New Zealand, the Republic of South Africa, Singapore and the United States of America.
4. Loans—
 - (a) which are fully secured by mortgage or charge on land (or any interest in land) which—
 - (i) is situated in any of the countries specified in paragraph 3 above, and
 - (ii) in the case of a loan made to a person other than a body corporate, is not used wholly or mainly for domestic purposes, and

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- (b) of which the rate of interest and the due dates for the payment of interest and the repayment of principal can be fully ascertained from the terms of any agreement relating to the loan.
- 5. Units in—
 - (a) a unit trust scheme falling within Council Directive [85/611/EEC](#) of 20 December 1985 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities;
 - (b) an authorised unit trust scheme other than authorised unit trust schemes falling within sub-paragraph (a) above;
 - (c) a recognised scheme within the meaning of sections 86, 87 and 88 of the Financial Services Act 1986⁽⁵⁾ other than recognised schemes falling within sub-paragraph (a) above.
- 6. Approved securities.
- 7. Loans to or deposits with an approved credit institution, an approved financial institution or an approved investment firm.
- 8. Income due or to become due in respect of property of any of the descriptions specified in the foregoing paragraphs of this Schedule.
- 9. Permitted derivative contracts.
- 10. Cash.
- 11. Units, by whatever name called, in a real or notional fund (not being a scheme or undertaking of a kind mentioned in paragraph 5 above) which is limited to the descriptions of property mentioned above and which under the contract is to be managed either—
 - (a) wholly by the insurer; or
 - (b) wholly or to any extent by another person being a person for whose acts and omissions in managing the fund the insurer assumes responsibility towards the policy holder as if they were the acts or omissions of the insurer, and otherwise (if at all) by the insurer.

PART II

INDICES BY REFERENCES TO WHICH BENEFITS MAY BE DETERMINED

- 12. An approved index.

PART III

INTERPRETATION

- 13. Unless the context otherwise requires, words or expressions contained in this Schedule bear the same meaning as in Part VIII of these Regulations.
- 14. For the purposes of this Schedule, “approved index” means either—
 - (a) an index which is—
 - (i) calculated independently;
 - (ii) published at least once every week;
 - (iii) based on constituents, each of which is property falling within paragraphs 1 to 8 or 10 above; and

(5) [1986 c. 60.](#)

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- (iv) calculated on a basis which is made available to the public and which includes both the rules for including and excluding constituents and the rules for valuation which must use an arithmetic average of the value of the constituents; or
- (b) an index in respect of which a derivative contract is listed.

15.—(1) For the purposes of this Schedule, “permitted derivative contract” means a derivative contract to which sub-paragraph (2) below applies—

- (a) which is held for the purposes of reduction of investment risks or efficient portfolio management, and which—
 - (i) is held in connection with property falling within paragraphs 1 to 8 or 10 above for such purposes; or
 - (ii) has the equivalent effect to such a contract held in connection with such assets for such purposes;
- (b) in respect of which, having regard to its assets and liabilities, the insurer will have, so far as can reasonably be foreseen, and in the appropriate fund maintained by it, assets at the settlement date which match its obligations under that contract and from which it will fulfil those obligations; and
- (c) which—
 - (i) is listed; or
 - (ii) the insurer has entered into with an approved counterparty and which it reasonably believes may be readily closed out by entering into a further permitted derivative contract with an approved counterparty.

(2) This sub-paragraph applies to—

- (a) a contract for differences under which the amount payable by either party is calculated by reference to fluctuations in the value of any property falling within paragraphs 1 to 10 of Part I above or in an approved index; or
- (b) a futures contract or option, in each case providing for the acquisition or disposal of property, all of which is property falling within paragraphs 1 to 10 of Part I above.

16. Benefits payable under any contract to which regulation 43 applies shall not be determined by reference to—

- (a) property of any of the descriptions specified in paragraph 2, 5(b), 5(c) or 7 above if the value of such property is determined, either wholly or partly, by reference to the value of, or the income from, fluctuations in the value of property other than property of the descriptions in Part I of this Schedule;
- (b) property of the description in paragraph 2 above unless the securities are realisable in the short term without any diminution in value.

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SCHEDULE 11

Regulation 47

VALUE OF DEPENDANTS

PART I

THE SUPPLEMENTARY AMOUNT

1. Subject to paragraph 2(1) below, the supplementary amount in relation to assets of a relevant description held by a dependant of the insurance company shall be determined in accordance with the following formula—

$$A = \frac{B}{C} \times D$$

in which—

A is the supplementary amount;

B is the amount by which the value of assets of that description held by the dependant, excluding any long term business assets of the dependant if it is an insurance company, exceeds the permitted limit applicable to the dependant in relation to those assets;

C is the aggregate of the amount specified in B above and of the amounts by which the value of assets of the same description held by other relevant dependants, excluding any long term business assets of a dependant which is an insurance company, exceeds respectively the permitted limits applicable to such other relevant dependants in relation to those assets;

D is—

- (a) where the insurance company holds no assets of the same description of the relevant class, the amount of the permitted limit that would be applicable to the insurance company in relation to such assets were it to hold them; and
- (b) where the insurance company holds assets of the same description of the relevant class, the amount by which the permitted limit applicable to the insurance company in relation to those assets exceeds the value of those assets.

2.—(1) Where for the purpose of determining any supplementary amount in accordance with paragraph 1 above the insurance company cannot reasonably ascertain—

- (a) the value of any asset of a relevant dependant, or
- (b) the amount of the permitted limit applicable in relation to any asset of a relevant dependant,

the asset in question shall be left out of account for that purpose.

(2) In this Part of this Schedule—

“relevant dependant” means—

- (a) where this Schedule is being applied in relation to the determination of the value of a share in, or debt due or to become due from, a dependant of the insurance company which is a long term business asset of the insurance company, any dependant of the insurance company—
 - (i) a share in which, or in any company of which it is a dependant, is a long term business asset of the insurance company, or
 - (ii) from which a debt is due, or will become due, to the insurance company which is a long term business asset of that company; and
- (b) in any other case, any dependant of the insurance company—

- (i) a share in which, or in any company of which it is a dependant, is a general business asset of the insurance company, or
- (ii) from which a debt is due, or will become due, to the insurance company which is a general business asset of that company.

PART II

FURTHER PROVISIONS AND MODIFICATIONS OF THE REGULATIONS APPLICABLE WITH RESPECT TO THE DETERMINATION OF THE VALUE OF DEPENDANTS

3.—(1) This paragraph applies where, for the purpose of ascertaining the value of the assets of the subject company under regulation 47 above, any determination falls to be made in accordance with the said regulation 47 of the value of the assets of a dependant of the insurance company, a share in which, or a debt due or to become due from which, is an asset of the subject company; and references herein to a determination of the value of assets of a dependant to which this paragraph applies are references to any such determination.

(2) Regulation 47(4) shall not apply with respect to a determination of the value of assets of a dependant to which this paragraph applies.

(3) Where, in the case of a determination of the value of assets of a dependant to which this paragraph applies—

- (a) the dependant is an insurance company and has general business assets of a relevant description or is not an insurance company and has assets of a relevant description,
- (b) the value of such assets exceeds the permitted limit applicable to the dependant in relation to those assets, and
- (c) any controller of the dependant has no assets of the same description of the relevant class, or has assets of the same description of the relevant class and their value is less than the permitted limit applicable to that controller in relation to those assets;

then, for the purposes of such determination, there shall be added to the permitted limit applicable to the dependant in relation to the assets referred to in sub-paragraph (a) above an amount equal to the supplementary amount or, if there is more than one such controller, to the aggregate of the supplementary amounts, determined with respect to any such controller in accordance with Part I of this Schedule, subject, where the controller is not the insurance company, to the modifications specified in sub-paragraph (5) below.

(4) In this paragraph, “a controller” means, in relation to a dependant—

- (a) the insurance company,
- (b) the subject company, if it is an insurance company, and
- (c) a dependant of the insurance company which is an insurance company and of which the subject company is a dependant.

(5) Where sub-paragraph (3) above is being applied in relation to a controller, other than the insurance company—

- (a) Part I of this Schedule, as applied in accordance with the said sub-paragraph (3), shall have effect as if, for the reference to the insurance company, there were substituted references to the controller, and
- (b) the references to assets being of a relevant class in the said sub-paragraph (3) and in Part I of this Schedule, as so applied, shall be construed as referring to long term business

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assets of the controller, if the said sub-paragraph (3) is being applied in connection with the determination of the value of a long term business asset of the controller, and to general business assets of the controller, in any other case.

4. The modifications of these Regulations applicable (in addition to that specified in paragraph 3(2) above) with respect to the determination of the value of the assets of the subject company where it is not an insurance company are as follows—

- (a) these Regulations shall apply to the subject company as if it were an insurance company and its assets were being valued for the purpose specified in regulation 45(1);
- (b) regulation 45(2) shall not apply; and
- (c) regulation 57 shall not apply.

5. In this Schedule, “subject company” means the dependant of the insurance company the value of whose assets is being determined in accordance with regulation 47(2) or (3) (as the case may be).

SCHEDULE 12

Regulation 57

ASSETS TO BE TAKEN INTO ACCOUNT ONLY TO A SPECIFIED EXTENT

PART I

Descriptions of Asset	Percentage of general business or long term business amount
1. A piece of land or a number of pieces of such land to which in the most recent proper valuation of such pieces of land an aggregate value is ascribed which is greater than the aggregate of the value of each of such pieces of land valued separately	5%
2. Debts due, or which will become due, to the insurance company from an individual (other than an individual who is connected with the insurance company within the meaning of section 31(5) of the Act), being debts which are fully secured on any dwelling or any land appurtenant thereto owned or to be purchased by the individual and used or to be used by him for his own residence	1%
3. Unsecured debts, other than listed debentures or debts from an approved counterparty, which are debts due, or which will become due, (including debts which would become due if the company were to exercise any right to which it is entitled to require payment or repayment of the same) from a regulated institution and any of its connected companies (not being a dependant of the insurance company)	2½%

Descriptions of Asset	Percentage of general business or long term business amount
<p>4. Unsecured debts, other than listed debentures or debts from a regulated institution, which are debts due, or which will become due, to the insurance company (including debts which would become due if the company were to exercise any right to which it is entitled to require payment or repayment of the same) from—</p> <p style="padding-left: 40px;">(a) any one company and any of its connected companies (not being a dependant of the insurance company)</p> <p style="padding-left: 40px;">(b) any one unincorporated body of persons</p>	<p>1%</p> <p>1%</p>
<p>5. Debts due, or which will become due, to the insurance company from an individual (other than debts specified in regulation 48(3) above or paragraph 2 or 4 (b) above)</p>	<p>¼%</p>
<p>6. The aggregate of debts, other than debentures, of the description in paragraph (4) above</p>	<p>5%</p>
<p>7. Listed equity shares in any one company and any of its connected companies (not being a dependant of the insurance company)</p>	<p>2½%</p>
<p>8. Listed shares (including listed equity shares) and listed debentures in any one company and any of its connected companies (not being a dependant of the insurance company or an approved counterparty)</p>	<p>5%</p>
<p>9. Unlisted shares in and unlisted regulated subordinated debt due from any one company and any of its connected companies (not being a dependant of the insurance company)</p>	<p>1%</p>
<p>10. The aggregate of unlisted debentures of the descriptions in paragraphs 3 and 4 above and of unlisted shares and debt of the descriptions in paragraph 9 above</p>	<p>10%</p>
<p>11. Holdings in an authorised unit trust scheme or a recognised scheme (other than a scheme falling within Council Directive 85/611/EEC of 20 December 1985 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities⁽⁶⁾)</p>	<p>5%</p>
<p>12. Subject to paragraph 13 below, shares held in or secured or unsecured debts (including</p>	<p>5%</p>

(6) O.J. No. L375, 31.12.85, p.3; Directive last amended by Directive [88/220/EEC](#) (O.J. No. L100, 19.4.88, p.31).

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Descriptions of Asset	Percentage of general business or long term business amount
debts which would become due if the company were to exercise any right to which it is entitled to require payment or repayment of the same) or the value of rights under derivative contracts due, or which will become due, from—	
(a) an individual, or	
(b) any one company and any of its connected companies (not being a dependant of the insurance company), or	
(c) any one unincorporated body of persons	
13. Shares, debts and rights under derivative contracts to which the limitations in paragraph 12 apply, the holdings of which exceed 5% but which in aggregate are taken into account for no more than 40% of the business amount	10%
14. Shares, debts and rights under derivative contracts to which the limitations in paragraph 12 and 13 apply which are issued by any one approved credit institution and any of its connected companies together with deposits held in that institution and any of its connected companies (not being a dependant of the insurance company)	20%
15. Cash	3%
16. Computer equipment	5%
17. Office machinery (other than computer equipment), furniture, motor vehicles and other equipment	2½%

PART II

- 18.** In this Schedule, a company is connected with another company if it is—
- (a) a subsidiary of that other company, or
 - (b) the holding company of that other company, or
 - (c) a subsidiary of the holding company of that other company.

SCHEDULE 13

Regulation 63

RELEVANT CO-INSURANCE OPERATIONS

- 1.** An insurance operation is a relevant co-insurance operation for the purposes of regulation 63 above if—

- (a) it is not a reinsurance acceptance, and
- (b) it relates to any of the classes specified in paragraph 2 below, and
- (c) it satisfies all the conditions specified in paragraph 3 below.

2. The classes referred to in paragraph 1(b) above are—

- class 3 (land vehicles),
- class 4 (railway rolling stock),
- class 5 (aircraft),
- class 6 (ships),
- class 7 (goods in transit),
- class 8 (fire and natural forces),
- class 9 (damage to property),
- class 10 (motor vehicle liability),
- class 11 (aircraft liability),
- class 12 (liability for ships),
- class 13 (general liability), excluding risks which concern damage arising from nuclear sources or from medicinal products,
- class 14 (credit),
- class 15 (suretyship), and
- class 16 (miscellaneous financial loss),

as specified in Part I of Schedule 2 to the Act.

3. The conditions referred to in paragraph 1(c) above are—

- (a) that the risk is covered by a single contract at an overall premium and for the same period by two or more insurers, each for his own part;
- (b) that the risk is situated (within the meaning of paragraph 4 below) within an EEA State;
- (c) that at least one of the insurers participating in the operation does so through a head office or branch established in an EEA State other than that in which the leading insurer's head office (or if the leading insurer is participating through a branch, that branch) is established.

4. For the purposes of paragraph 3(b) above, a risk is situated in an EEA State—

- (a) in the case of insurance relating to immovable property, if the property is situated in an EEA State,
- (b) in the case of insurance relating to a registered vessel, aircraft or vehicle (including railway rolling stock), if the vessel, aircraft or vehicle is registered in an EEA State, and
- (c) in any other case, if the policy holder is incorporated or has his habitual residence in an EEA State.

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SCHEDULE 14

Regulation 76

METHODS OF CALCULATING THE EQUALISATION
RESERVE FOR CREDIT INSURANCE BUSINESS

Method No. 1

1. In respect of credit insurance business the company shall maintain an equalisation reserve to which shall be charged any technical deficit arising in that business for a financial year.

2. Such reserve shall in each financial year receive 75 per cent. of any technical surplus arising on credit insurance business, subject to a limit of 12 per cent. of the net premiums or contributions until the reserve has reached 150 per cent. of the highest annual amount of net premiums or contributions received during the previous five financial years.

Method No. 2

1. In respect of credit insurance business the company shall set up an equalisation reserve to which shall be charged any technical deficit arising in that business for a financial year.

2. The minimum amount of the equalisation reserve shall be 134 per cent. of the average of the premiums or contributions received annually during the previous five financial years after subtraction of the cessions and addition of the reinsurance acceptances.

3. Such reserve shall in each of the successive financial years receive 75 per cent. of any technical surplus arising in that class until the reserve is at least equal to the minimum amount calculated in accordance with paragraph 2.

Method No. 3

1. Subject to paragraph 2(g) below, an equalisation reserve shall be maintained for credit insurance business for the purpose of offsetting any above-average claims ratio for a financial year in that business.

2. The equalisation reserve shall be calculated on the basis of the method set out below.

- (a) All calculations shall relate to income and expenditure for the insurer's own account.
- (b) An amount in respect of any claims shortfall for each financial year shall be placed to the equalisation reserve until it has reached, or is restored to, the required amount.
- (c) There shall be deemed to be a claims shortfall if the claims ratio for a financial year is lower than the average claims ratio for the reference period. The amount in respect of the claims shortfall shall be arrived at by multiplying the difference between the two ratios by the earned premiums for the financial year.
- (d) The required amount shall be equal to six times the standard deviation of the claims ratio in the reference period from the average claims ratio, multiplied by the earned premiums for the financial year.
- (e) Where claims for any financial year are in excess, an amount in respect thereof shall be taken from the equalisation reserve. Claims shall be deemed to be in excess if the claims ratio for the financial year is higher than the average claims ratio. The amount in respect of the excess claims shall be arrived at by multiplying the difference between the two ratios by the earned premiums for the financial year.
- (f) Irrespective of claims experience, 3.5 per cent. of the required amount of the equalisation reserve shall be first placed to that reserve each financial year until its required amount has been reached or restored.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (g) The length of the reference period shall be not less than 15 years and not more than 30 years. No equalisation reserve need be maintained if no underwriting loss has been noted during the reference period.
- (h) The required amount of the equalisation reserve and the amount to be taken from it may be reduced if the average claims ratio for the reference period in conjunction with the expenses ratio show that the premiums include a safety margin.

Method No. 4

1. Subject to paragraph 2(g) below, an equalisation reserve shall be maintained for credit insurance business for the purpose of offsetting any above-average claims ratio for a financial year in that business.

- 2. The equalisation reserve shall be calculated on the basis of the method set out below.
 - (a) All calculations shall relate to income and expenditure for the insurer's own account.
 - (b) An amount in respect of any claims shortfall for each financial year shall be placed to the equalisation reserve until it has reached the maximum required amount.
 - (c) There shall be deemed to be a claims shortfall if the claims ratio for a financial year is lower than the average claims ratio for the reference period. The amount in respect of the claims shortfall shall be arrived at by multiplying the difference between the two ratios by the earned premiums for the financial year.
 - (d) The maximum required amount shall be equal to six times the standard deviation of the claims ratio in the reference period from the average claims ratio, multiplied by the earned premiums for the financial year.
 - (e) Where claims for any financial year are in excess, an amount in respect thereof shall be taken from the equalisation reserve until it has reached the minimum required amount. Claims shall be deemed to be in excess if the claims ratio for the financial year is higher than the average claims ratio. The amount in respect of the excess claims shall be arrived at by multiplying the difference between the two ratios by the earned premiums for the financial year.
 - (f) The minimum required amount shall be equal to three times the standard deviation of the claims ratio in the reference period from the average claims ratio, multiplied by the earned premiums for the financial year.
 - (g) The length of the reference period shall be not less than 15 years and not more than 30 years. No equalisation reserve need be maintained if no underwriting loss has been noted during the reference period.
 - (h) Both required amounts of the equalisation reserve and the amount to be placed to it or the amount to be taken from it may be reduced if the average claims ratio for the reference period in conjunction with the expenses ratio show that the premiums include a safety margin and that safety margin is more than one-and-a-half times the standard deviation of the claims ratio in the reference period. In such a case the amounts in question shall be multiplied by the quotient of one-and-a-half times the standard deviation and the safety margin.

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SCHEDULE 15

Regulation 80

INSURANCE STATISTICS: EFTA STATES AND EFTA COMPANIES

The statements and underwriting account to be provided under regulation 80 are to be given in the form set out in Forms 82 to 85.

Form 82

Returns under Insurance Companies Legislation

Rev 1

General Business: Analysis of gross premiums receivable for provision of direct insurance in other States

Name of Company

Financial year ended

State in which risk is situated

F82	Company registration number	Financial year ended			Units	State in which risk is situated	For official use
		day	month	year			
		18			£000		
Groups of Classes		Authorisation Classes		Gross Premiums Receivable			
Accident and Sickness		1,2		1			
Land vehicles, Goods in transit and Motor vehicle liability (carrier's liability only)		3,7,10		2			
Motor vehicle liability (excluding carrier's liability)		10		3			
Fire and other damage to property		8,9		4			
Aviation, Marine and Transport		4,5,6,7,11,12		5			
General Liability		13		8			
Credit and Suretyship		14,15		7			
Other classes		16,17,18		8			

Instructions for Completion of Form 82

The box described as 'State in which risk is situated' is to be completed by inserting the relevant code from the DTI list of 'Country Codes'.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Form 83
Rev 1

Returns under Insurance Companies Legislation
General Business: Underwriting account for provision of direct insurances in other States

Name of Company

Financial year ended

State in which risk is situated

Company registration number	Financial year ended		State in which risk is situated	For official use
	day month	year		
18	18	18	18	

Groups of Classes							
1	2	3	4	5	6	7	8
Accident and Sickness	Land vehicles, Goods in transit and Motor vehicle liability (carrier's liability only)	Motor vehicle liability (excluding carrier's liability)	Fire and other damage to property	Aviation, Marine and Transport	General Liability	Credit and Suretyship	Other classes
11							
12							
13							
14							

Instructions for Completion of Form 83

The box described as "State in which risk is situated" is to be completed by inserting the relevant code from the DTI list of "Country Codes".

Notes

- (1) Gross premiums earned equals gross premiums written in the financial year plus gross premiums unearned brought forward less gross premiums unearned carried forward.
- (2) Gross claims incurred equals gross claims paid in the financial year plus gross claims outstanding carried forward less gross claims outstanding brought forward, and includes directly attributable expenses.
- (3) Gross commission attributable equals gross commission paid in the financial year plus gross commission brought forward less gross commission carried forward.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Returns under Insurance Companies Legislation

Form 84
(Sheet 1)
Rev 1

General Business (three year accounting): Underwriting account for provision of direct insurance in other States

Name of Company

Financial year ended

State in which risk is situated

Groups of classes	Cumulative amounts receivable or payable in the financial year and earlier years	Company registration number	Financial year ended			State in which risk is situated	For official use
			day	month	year		
		F84			19	2000	
		Risks allocated to:					
			Second year preceding the financial year 1	First year preceding the financial year 2	The financial year 3		
Accident and Sickness	Gross premiums receivable	11					
	Gross claims paid plus fund carried forward	12					
	Gross commission payable relating to premiums shown at line 11	13					
	Gross underwriting result (11-12-13)	14					
Land vehicles, Goods in transit and Motor vehicle liability (carrier's liability only)	Gross premiums receivable	21					
	Gross claims paid plus fund carried forward	22					
	Gross commission payable relating to premiums shown at line 21	23					
	Gross underwriting result (21-22-23)	24					
Motor vehicle liability (excluding carrier's liability)	Gross premiums receivable	31					
	Gross claims paid plus fund carried forward	32					
	Gross commission payable relating to premiums shown at line 31	33					
	Gross underwriting result (31-32-33)	34					
Fire and other damage to property	Gross premiums receivable	41					
	Gross claims paid plus fund carried forward	42					
	Gross commission payable relating to premiums shown at line 41	43					
	Gross underwriting result (41-42-43)	44					

Instructions for Completion of Form 84

The box described as "State in which risk is situated" is to be completed by inserting the relevant code from the DTI list of "Country Codes"

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Returns under Insurance Companies Legislation

Form 85
Rev 1

Long term business: Analysis of gross premiums receivable for provision of direct insurance in other States

Name of Company

Financial year ended

State of commitment

Class description	Company registration number	Financial year ended			State ¹ of commitment	For official use
		day	month	year		
	F85			19	£000	
	Authorisation Class	Units		Gross Premiums Receivable		
				Article 12 ² business	Article 14 ³ business	
Life and annuity	I	1				
Marriage and birth	II	2				
Linked long term	III	3				
Permanent health	IV	4				
Tontinas	V	5				
Capital redemption	VI	6				

Instructions:

- ¹ The box described as "State of commitment" is to be completed by inserting the appropriate Country Code
- ² Units are to be entered here in respect of business which is subject to supervision in the Member States of commitment under Article 12 of Council Directive 90/619/EEC
- ³ Units are to be entered here in respect of business which is subject to supervision only in the United Kingdom under Article 14 of Council Directive 90/619/EEC

SCHEDULE 16

Regulation 81

INSURANCE STATISTICS: OTHER MEMBER STATES

The statements to be provided under regulation 81 are to be given in the form set out in Forms 91 to 94.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Form 91

Returns under Insurance Companies Legislation

General business: Analysis of financial particulars—branches

Name of Insurer

Member State in which branch is situated

Company registration number		Calendar year ended			Member State in which branch is situated		For Official use	
F91		day	month	year	Units	£000		
31		12		19				
Groups of classes								
1	2	3	4	5	6	7	8	9
Accident and sickness	Land vehicles, goods in vans and motor vehicle liability (claims liability only)	Motor vehicle liability (excluding claims liability)	Fire and other damage to property	Aviation, marine and transport	General liability	Credit and suretyship	Other classes	Total (1+2+3+4+5+6+7+8)

Income

Gross premiums written	11							
Other technical income (net of reinsurance)	12							
Total (11 + 12)	19							

Expenditure

Commission payable in calendar year	21							
Gross claims paid in calendar year	22							
Total (21 + 22)	29							

Note:

1 The box described as "Member State in which branch is situated" is to be completed by inserting the appropriate Code from the DTT list of "Country Codes"

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Form 92

Return under Insurance Companies Legislation

General business: Analysis of financial particulars—provision of services

Name of Insurer

Member State in which risk is situated

Company registration number	Calendar year ended			Member State in which risk is situated	For Official use		
	day	month	year				
F92	31	12	19	£000			
Groups of classes							
1	2	3	4	5	6	7	8
Accident and sickness	Land vehicles, goods in transit and motor vehicles liability (carriage liability only)	Motor vehicle liability (excluding carriage liability)	Fire and other damage to property	Airship, marine and transport	General liability	Credit and suretyship	Other classes

95

Gross premiums earned in calendar year	11						
Cost of gross claims incurred in calendar year	12						
Cost of gross commission attributable to premiums shown at line 11	13						

50

Note:

- 1 The box described as "Member State in which risk is situated" is to be completed by inserting the appropriate Code from the DTI list of "Country Codes"
- 2 Gross premiums earned in calendar year equals gross premiums written in calendar year plus gross premiums unearned brought forward less gross premiums unearned carried forward
- 3 Gross claims incurred equals gross claims paid in calendar year plus gross claims outstanding carried forward less gross claims outstanding brought forward, and includes directly attributable expenses
- 4 Gross commission attributable equals gross commission paid in calendar year plus gross commission brought forward less gross commission carried forward

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Form 93

Returns under Insurance Companies Legislation

Long Term business: Analysis of financial particulars—branches

Name of Insurer

Member State in which branch is situated

F83		Company registration number		Calendar year ended month day		Units £000		Member State in which branch is situated		For Official use																		
F83		Company registration number		Calendar year ended month day		Units £000		Member State in which branch is situated		For Official use																		
Authorisation classes																												
I	Life and annuity	1	II	Marriage and birth	2	III	Linked long term	3	IV	Permanent health	4	V	Termes	5	VI	Capital redemption	6	VII	Pension fund management	7	VIII	Collective Insurance etc.	8	IX	Social Insurance	9	TOTAL	10

Income

11	Gross premiums written	
12	Net income from investments	
13	Other technical income net of insurance	
19	Total (11 + 12 + 13)	

Expenditure

21	Claims paid, gross amount	
23	Change in provision for claims and maturational reserves, gross amount	
24	Acquisition costs, change in deferred acquisition costs and administrative expenses	
25	Commissions	
29	Total (21 + 22 + 23 + 24 + 25)	

Notes:

- The box denoted as "Member State in which branch is situated" is to be completed by entering the appropriate Code from the DTI list of "Country Codes".
- The heading used in this form also applies from the Companies Act 1985 (Insurance Companies Accounts) Regulations 1987 (S.I. 1987/3246).

SCHEDULE 17

Regulation 86

REVOCATIONS

Number	Title
S.I. 1981/1654	The Insurance Companies Regulations 1981
S.I. 1982/675	The Insurance Companies (Amendment) Regulations 1982
S.I. 1983/396	The Insurance Companies (Advertisements) (Amendment) (No. 2) Regulations 1983
S.I. 1985/1419	The Insurance Companies (Amendment) Regulations 1985
S.I. 1988/673	The Insurance Companies (Amendment) Regulations 1988
S.I. 1990/1160	The Insurance Companies (Legal Expenses Insurance) (Application for Authorisation) Regulations 1990
S.I. 1990/1181	The Insurance Companies (Credit Insurance) Regulations 1990
S.I. 1991/1999	The Insurance Companies Regulations 1981 (Amendment) Regulations 1991
S.I. 1991/2511	The Insurance Companies (Linked Contracts) (Amendment) Regulations 1991
S.I. 1992/445	The Insurance Companies (Amendment) Regulations 1992
S.I. 1993/1092	The Insurance Companies (Cancellation No. 2) Regulations 1993