

SCHEDULE 2

Regulation 4

INFORMATION TO BE SUBMITTED: GENERAL BUSINESS

Application

1. Subject to paragraphs 2 and 3 below, the information specified in paragraphs 4—22, where applicable, shall be submitted by each society.

2. Where a society applies for an extension of its current authorisation, the information specified in paragraphs 6, 7, 8, 10, 13, 14, and 15 is required only in respect of the classes, or any part of a class, of insurance business not included in its current authorisation but for which authorisation is being sought.

3. A society shall not be required to submit the information specified in paragraph 20 or 21 where the Commission already possesses that information.

Classification of business

4. Particulars of the following—

- (a) the classes, or any part of a class, of insurance business and the descriptions of non-insurance business (if any) for which the society is already authorised, and those classes, or any part of a class, which it wishes to be included in the new authorisation; and
- (b) the parts of the United Kingdom covered by the society's existing authorisation and those which it wishes to be covered by the new authorisation.

Solvency

5. Where any solvency requirements imposed by or under the 1992 Act are expected to be applicable to the society at the expected date of authorisation, a statement showing the amount by which the assets are expected to exceed liabilities at that date (after application of the valuation regulations) and how calculated.

Scheme of operations

6. The sources of business (for example insurance brokers, agents, own employees or direct selling), the approximate percentage expected from each source, and the commission rates payable.

7. The nature of the risks which the society proposes to cover.

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

9. Where the society expects to be either a registered friendly society to which section 37(2) or (3) of the 1992 Act applies or an incorporated friendly society at the expected date of authorisation, the assets which represent or will represent the minimum guarantee fund being assets admissible under and valued in accordance with the valuation regulations.

10. The estimated cost of installing the administrative services and organisation for securing business and how calculated, and details of the financial resources intended to cover those costs.

Projections

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

- (a) a forecast balance sheet;

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- (b) estimates relating to expenses of management (other than costs of installation) and in particular to current general expenses and commissions;
- (c) estimates relating to premiums or contributions both gross and net of reinsurance and to claims (after all reinsurance recoveries);
- (d) estimates relating to the financial resources intended to cover underwriting liabilities and the required margin of solvency.

Other Information

12. A description of the society's overall investment strategy including 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.

13. Copies of drafts or reinsurance treaties.

14. Copies or drafts of any standard agreements which the society has entered into, or will enter into, with persons who are or will be sources of business in accordance with paragraph 6 above.

15. Copies or drafts of any agreements with persons (other than employees of the society) who manage or will manage the business of the society.

16. A statement made jointly by each member of the committee of management, the secretary and the chief executive that the affairs of the society are directed in accordance with the criteria of prudent management set out in section 50(3) of the 1992 Act and will continue to be so directed.

17. A personal questionnaire (available from the Commission) requiring biographical information and disclosure of interests signed and completed by each of the following—

- (a) the chairman of the committee of management;
- (b) the chief executive;
- (c) the secretary; and
- (d) a controller (if any).

18. Name and address of the society's bankers, solicitors, appropriate actuary, auditors, and investment advisers.

19. Name and registered office of any subsidiary or jointly controlled body and particulars of any plan to form or to take part in forming or to acquire control or joint control of any qualifying body, including particulars of the current and proposed activities (by reference to Schedule 7 of the 1992 Act) of any such subsidiary, jointly controlled body or qualifying body and the approximate date of formation and commencement of its activities.

20. Where the society carries on, or applies for authorisation to carry on, both long term business and general business of class 3 of head B of Schedule 2 to the 1992 Act, particulars of the classes, or any part of a class, of insurance business carried on by the society on 15th March 1979.

21. Particulars of any commercial business other than insurance business which the society carries on (stating, in relation to any savings business, whether the society was carrying on long term business and the savings business on 15th March 1979).

22. A declaration by the secretary that the information provided in the application for authorisation is to the best of his knowledge and belief accurate.