

---

STATUTORY INSTRUMENTS

---

**1996 No. 1536**

**The Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations 1996**

Valuation of assets and liabilities

**Rights under insurance contracts**

5.—(1) Nothing in regulation 4 applies for the purposes of determining the value of any rights under a contract of insurance and that value shall be determined as follows.

(2) Subject to paragraphs (3) and (4), the value of a contract of insurance is to be taken to be the amount (if any) payable on its surrender.

(3) Where, if a contract of insurance were surrendered to the insurer on the relevant date, the amount of the alternative liabilities which the insurer would secure in return for the surrender would be substantially greater than the amount payable on its surrender, then its value is to be taken to be that greater amount.

(4) Where it appears to the actuary that the circumstances are such that, in accordance with the guidance given in GN 27, it is appropriate for him to do so, then he may—

- (a) disregard the value of the rights under a contract of insurance and the amount of the liabilities secured by the contract; or
- (b) adopt a value for those rights which is equal to the amount of those liabilities.