



BERMUDA

INSURANCE ACCOUNTS REGULATIONS 1980

BR 18 / 1980

*[made by the Minister of Finance under the Insurance Act 1978 and brought into operation on 1 January 1980]*

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### SCHEDULE V

#### Instructions affecting the statutory statement of capital and surplus

*[NB References to "Registrar" replaced throughout by references to "Supervisor" by 2001:27 s.4 effective 1 October 2001; references to "Supervisor" replaced throughout by references to "Authority", and consequential appropriate grammatical changes made, by 2001:33 s.5 effective 1 January 2002. These amendments are not individually noted in each place in which they occur.]*

#### Citation

1 These Regulations may be cited as the Insurance Accounts Regulations 1980.

#### Interpretation

2 In these Regulations, except where the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say—

"account" includes any of the statements specified in regulation 3(2), and any note or other document annexed or attached to any such statement;

"the Act" means the Insurance Act 1978;

"affiliate", in relation to an insurer, means a body forming part of a group with that insurer;

"association" has the meaning assigned thereto in the definition of "group";

"composite" means an insurer which in the relevant year carried on both general business and long-term business;

"fair value determined in good faith", in relation to an investment held by an insurer, means the value of that investment, being the value that in the opinion of the directors, exercising good faith, that investment would realize on a sale or other disposition of that investment within a reasonable period of time;

"Form" means any Form in Schedule I;

"funds held by ceding reinsurers" means funds held by ceding reinsurers under the terms of contracts of insurance;

"group" means any two or more bodies, whether corporate or unincorporate, that are in association, and two bodies shall for the purposes of these Regulations be deemed to be in association if one of them has control of the other or both are under the control of the same person or persons;

"independent", in relation to an appraisal, means that the appraisal is made by a person who—

- (a) makes such appraisals in the ordinary course of his business; and
- (b) is not financially interested in any way in the business of the person whose property is being appraised, apart from the appraisal;

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“insurance” has the same meaning as the expression “insurance business” has in the Act;

“liability insurance business” means the business of effecting and carrying out contracts of insurance against risks of the persons insured incurring liabilities to third parties;

“non-admitted”, in relation to an asset, means an asset or portion of an asset that is not allowed by these Regulations to be taken into account in preparing the statutory balance sheet;

“policy” or “policy of insurance” means any contract of insurance (including any contract to pay an annuity on human life), whether or not there is in being any instrument in writing evidencing the contract;

“policy loan” means a loan made to a policyholder by an insurer carrying on long-term business on the security of the cash surrender value of the policyholder’s policy of insurance;

“policy reserve” means the amount by which the present value of any benefits due under a policy of insurance exceeds the present value of the net premiums payable under the policy;

“products liability insurance” means liability insurance business where the risks, the subject of the contract of insurance, are risks of the persons insured incurring liabilities in relation to the manufacture or sale by them of, or some other dealing by them in, products that are, or may be claimed to be, in some respect defective;

“professional liability insurance” means liability insurance business where the risks, the subject of the contract of insurance, are risks of the persons insured incurring liabilities in relation to the negligent or other exercise by those persons of some professional skill;

“quoted”—

(a) in relation to an investment, means an investment as respects which there has been granted a quotation or permission to deal on a stock exchange in Bermuda recognized by the Authority for the purposes of the Act, or on any stock exchange or over-the-counter market of repute outside Bermuda; and

(b) in relation to the value of an investment, means the market value of that investment, being the value listed on such an exchange or over-the-counter market as aforesaid on the last day of the relevant year,

and “unquoted” shall have a corresponding meaning, so, however, that any investment by all insurer in an affiliate shall not for any purpose of these Regulations be taken to be either a quoted or an unquoted investment;

“regulations” means regulations made under section 53 of the Act;

“relevant year” has the meaning assigned thereto in paragraph (3) of regulation 3;

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“retrocessional contract” means a reinsurance contract whereby one reinsurer transfers all or part of the reinsurance risk that it has assumed or will assume to another reinsurer.

“section 24(6) composite” means an insurer to which section 24 of the Act does not apply by reason of subsection (6) of that section;

“statutory financial statements” has the meaning assigned thereto in paragraph (2) of regulation 3:

“unearned premiums” means the amount set aside as at the end of an insurer’s financial year out of premiums in respect of risks to be borne by the insurer after the end of that year, and calculated pro rata, under contracts of insurance entered into before the end of that year.

*[Regulation 2 amended by 2001:27 effective 1 October 2001; “loss reserve specialist” deleted by BR 41/2005 effective 1 July 2005; “retrocessional contract” inserted by BR 1/2009 reg.3 effective 31 December 2008]*

### Statutory financial statements

3 (1) Except as provided otherwise in other rules the duties of every insurer in relation to the preparation of statutory financial statements within the meaning of section 15 of the Act shall be those prescribed in these Regulations.

(2) The said statutory financial statements consist of—

- (a) a statutory balance sheet;
- (b) a statutory statement of income;
- (c) a statutory statement of capital and surplus;
- (d) where the case requires, a statutory open year business revenue statement.

(3) Every Class 1, Class 2, Class 3, Class A and Class B insurer shall have the duty to prepare in accordance with the requirements of these Regulations, in respect of its insurance business for each financial year, the statutory financial statements specified in sub-paragraphs (a) to (c) of paragraph (2), and the financial year in relation to which any particular set of financial statements have been, or are to be, prepared is in these Regulations referred to as “the relevant year”.

*[Regulation 3 paragraphs (1) and (3) amended by 2015 : 50 s. 15 effective 1 January 2016]*

### Balance sheet and statement of income for general business

4 (1) Subject to paragraph (3), the statutory balance sheet and the statutory statement of income of a Class 1, Class 2 or Class 3 insurer which in the financial year carried on no insurance business other than general business shall respectively be in the forms set out in Forms 1A and 2A.

(1A) *[revoked]*

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(2) The statutory statement of income of a Class 1, Class 2, Class 3, Class A or Class B insurer which in the financial year carried on no insurance business other than general business, may have annexed to it a statutory open year business revenue statement in the form set out in Form 3, and any such statement may relate to one or more, or all, classes of that insurer's general business.

(3) A Class 1, Class 2, Class 3, Class A or Class B insurer which annexes to its statutory statement of income a statutory open year business revenue statement—

- (a) shall, in preparing Form 1A, include in line 18 thereof the balance from the statutory open year business revenue statement;
- (b) shall not, in preparing Form 2A, include in line 3, 8, 9, 10, 11, 12 or 17 any amount which would, were it not for this sub-paragraph, have to be included there, if that amount has been included in the insurer's statutory open year business revenue statement.

*[Regulation 4 amended by BR 1/2009 reg.4 effective 31 December 2008; amended by BR 93 / 2010 reg.2 effective 31 December 2010; amended by 2011 : 44 Sch. 1 effective 31 December 2011; amended by 2015 : 50 s. 15 effective 1 January 2016]*

### Balance sheet and statement of income for long-term business

5 The statutory balance sheet and the statutory statement of income of a Class A or Class B insurer which in the relevant year carried on no insurance business other than long-term business shall respectively be in the forms set out in Forms 4 and 5.

*[Regulation 5 amended by 2015 : 50 s. 15 effective 1 January 2016]*

### Balance sheet and statement of income for composites

6 (1) Subject to paragraph (3)—

- (a) the statutory balance sheet;
- (b) the statutory statement of income; and
- (c) where the case requires, the statutory open year business revenue statement,

of every composite shall, in respect of its general business, respectively be in the forms called for by regulation 4.

(2) Subject to paragraph (3), the statutory balance sheet and the statutory statement of income of every composite shall, in respect of the composite's long-term business, respectively be in the forms called for by regulation 5.

(3) Subject to paragraph (4), the requirements of paragraphs (1) and (2) shall not apply in relation to any section 24(6) composite. but instead—

- (a) the statutory balance sheet and the statutory statement of income of a section 24(6) composite shall respectively be in the forms set out in Forms 6 and 7; and

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- (b) the statutory statement of income of a section 24(6) composite may have annexed to it a statutory open year business revenue statement in the form set out in Form 3, and any such statement may relate to one or more, or all, classes of that composite's general business.

(4) A section 24(6) composite may, if it thinks fit, comply with the requirements of paragraphs (1) and (2) voluntarily, and any section 24(6) composite which complies with those requirements need not comply with the requirements of paragraph (3).

### Balance sheet and statement of income for Special Purpose Insurers

6A The statutory balance sheet and the statutory statement of income of a Special Purpose Insurer for a relevant year shall respectively be in forms set out in Forms 6 and 7.

*[Regulation 6A inserted by BR 1/2009 reg.5 effective 31 December 2008]*

### Statement of capital and surplus for all insurers

7 The statutory statement of capital and surplus of every insurer shall be in the form set out in Form 8.

### Notes to statutory financial statements

8 (1) Every Class 1, Class 2, Class 3, Class A and Class B insurer shall set forth in a general note to its statutory financial statements the matters called for in Part I of Schedule II.

(2) *[revoked]*

(3) Every Class 1, Class 2, Class 3, Class A and Class B insurer, section 24(6) composite, and Special Purpose Insurer shall also set forth—

- (a) in notes to its statutory balance sheet the matters called for in Part V of Schedule II; and
- (b) in notes to its statutory statement of income the matters called for in Part VI of Schedule II; and
- (c) in notes to its statutory capital and surplus the matters called for in Part IV of Schedule II.

*[Regulation 8 amended by BR 1/2009 reg.6 effective 31 December 2008; amended by BR 93 / 2010 reg.3 effective 31 December 2010; amended by 2011 : 44 Sch. 1 effective 31 December 2011; amended by 2015 : 50 s. 15 effective 1 January 2016]*

### Instructions relating to statutory financial statements

9 (1) Every Class 1, Class 2, Class 3, Class A and Class B insurer shall comply with the following provisions of this regulation (being provisions containing instructions affecting the preparation of the several statutory financial statements).

(2) In the preparation of the statutory balance sheet the instructions set forth in the several Parts of Schedule III shall have effect in accordance with the following rules, that is to say—

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- (a) *[revoked]*
- (b) *[revoked]*
- (c) every insurer to whom subparagraph (e) applies which in the relevant year carried on no insurance business other than long-term business shall, in addition to complying with the instructions in Part IV, comply with the instructions in Part III;
- (d) every section 24(6) composite and Special Purpose Insurer shall, in addition to complying with the instructions in Part IV, comply with the instructions in Part III;
- (e) every Class 1, Class 2, Class 3, Class A and Class B insurer, section 24(6) composite, and Special Purpose Insurer shall comply with the instructions in Part IV.

(3) In the preparation of the statutory statement of income the instructions set forth in the several Parts of Schedule IV shall have effect in accordance with the following rules, that is to say—

- (a) *[revoked]*
- (b) *[revoked]*
- (c) every insurer to whom subparagraph (e) applies which in the relevant year carried on no insurance business other than long-term business shall, in addition to complying with the instructions in Part IV, comply with the instructions in Part III;
- (d) every section 24(6) composite and Special Purpose Insurer shall—
  - (i) in addition to complying with the instructions in Part IV, comply with the instructions in Part III; and
  - (ii) in addition include in line 36 of Form 7 the total of lines 18 and 35 of that Form;
- (e) every Class 1, Class 2, Class 3, Class A and Class B insurer, section 24(6) composite, and Special Purpose Insurer shall comply with the instructions in Part IV.

(4) In preparing its statutory statement of capital and surplus every insurer shall comply with the instructions in Schedule V.

(5) If any instruction in Schedule III, IV or V requires any amount to be shown or any information to be given in a line of a Form in Schedule I, that amount or information must be shown or given on that line notwithstanding that that line or that Form may not contain any express direction or indication where the amount or information is to be shown or given.

*[Regulation 9 amended by 1995:20 effective 29 April 1995; amended by BR 1/2009 reg.7 effective 31 December 2008; amended by BR 93 / 2010 reg.4 effective 31 December 2010; amended by 2011 : 44 Sch. 1 effective 31 December 2011; amended by 2015 : 50 s. 15 effective 1 January 2016]*

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### Requirements relating to preparation of accounts generally

10 (1) All accounts shall be prepared in the English language.

(2) All amounts which for any purposes of these Regulations are to be shown in any account of any insurer shall be shown in a single currency, and that currency shall be the currency in which the books and records of the insurer are kept in the insurer's principal office in Bermuda or, where different books and records are kept in different currencies in that office, then the currency in which the majority of those books and records are kept:

Provided that where the Authority pursuant to the power given to it by section 17(1) of the Act directs the production to it of statutory financial statements, and amounts in those statements are shown in a foreign currency, those amounts must be converted into their Bermudian equivalent before the said statements are so produced.

(3) For the purposes of paragraph (2), the Bermudian equivalent of an amount in a foreign currency shall be the Bermudian dollar equivalent of that amount as converted into Bermudian dollars at the rate of exchange used by any licensed Bank in Bermuda in relation to purchases by that Bank of that foreign currency on the last day of the relevant year.

(4) For all items shown in any account of any insurer (other than a statutory open year business revenue statement) there shall be shown the corresponding amounts for the immediately preceding financial year.

*[Regulation 10 paragraph (2) amended by BR 93 / 2010 reg.5 effective 31 December 2010]*

### Offences

11 (1) Any person who—

- (a) fails to comply with any duty or prohibition imposed upon him by these Regulations; or
- (b) in or in relation to any account makes, or joins in making, any statement which he knows to be false or does not believe to be true,

shall be guilty of an offence against these Regulations.

(2) In sub-paragraph (b) of paragraph (1), the expression “make a statement” includes, in relation to any statement made, a wilful omission to state something that is material.

### Commencement

12 *[omitted]*



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SCHEDULE I

(Regs. 2, 4, 5, 6, 7)

PRESCRIBED FORMS OF STATUTORY FINANCIAL STATEMENTS

Form 1

[Form 1 revoked by 2015 : 50 s. 15 effective 1 January 2016]

Form 1A

(Reg 4)

STATUTORY BALANCE SHEET

(General Business - Class 1, Class 2 or Class 3 Insurer)

[blank] name of Company

as at [blank] (day/month/year)

expressed in [blank] (currency used (vide Reg. 10(2)))

ASSETS

STMT. LINE No.		20XX	20XX
1.	CASH AND TIME DEPOSITS	XXX	XXX
2.	QUOTED INVESTMENTS:		
	(a) Bonds and Debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total Bonds and Debentures	XXX	XXX
	(c) Equities		50
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX
	(e) Other quoted investments	XXX	XXX
	(f) Total quoted investments	XXX	XXX
3.	UNQUOTED INVESTMENTS:		
	(a) Bonds and Debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total Bonds and Debentures	XXX	XXX
	(c) Equities		
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX
	(e) Other unquoted investments	XXX	XXX
	(f) Total unquoted investments	XXX	XXX
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES (EQUITY METHOD):		

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	(a) Unregulated entities that conduct ancillary services	XXX	XXX
	(b) Unregulated non-financial operating entities	XXX	XXX
	(c) Unregulated financial operating entities	XXX	XXX
	(d) Regulated non-insurance financial operating entities	XXX	XXX
	(e) Regulated insurance financial operating entities	<u>XXX</u>	<u>XXX</u>
	(f) Total investments in affiliates (equity method)	XXX	XXX
	(g) Advances to affiliates	<u>XXX</u>	<u>XXX</u>
	(h) Total investments in and advances to affiliates (equity method)	<u>XXX</u>	<u>XXX</u>
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
	(a) First lienes	XXX	XXX
	(b) Other than first liens	<u>XXX</u>	<u>XXX</u>
	(c) Total investment in mortgage loans on real estate	<u>XXX</u>	<u>XXX</u>
7.	REAL ESTATE::		
	(a) Occupied by the company (less encumbrances)	XXX	XXX
	(b) Other properties (less encumbrances)	<u>XXX</u>	<u>XXX</u>
	(c) Total real estate	<u>XXX</u>	<u>XXX</u>
8.	COLLATERAL LOANS:	XXX	XXX
9.	INVESTMENT INCOME DUE AND ACCRUED:	XXX	XXX
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
	(a) In course of collection	XXX	XXX
	(b) Deferred - not yet due	XXX	XXX
	(c) Receivables from retrocessional contracts	<u>XXX</u>	<u>XXX</u>
	(d) Total accounts and premiums receivable	<u>XXX</u>	<u>XXX</u>
11.	REINSURANCE BALANCES RECEIVABLE		
	(a) Foreign affiliates	XXX	XXX
	(b) Domestic affiliates	XXX	XXX
	(c) Pools & associations	XXX	XXX
	(d) All other insurers	XXX	XXX
	(e) Total reinsurance balances receivable	<u>XXX</u>	<u>XXX</u>
12.	FUNDS HELD BY CEDING REINSURERS:		
	(a) Affiliates	XXX	XXX
	(b) Non-affiliated	XXX	XXX
	(c) Total funds held by ceding reinsurers	<u>XXX</u>	<u>XXX</u>

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13.	SUNDRY ASSETS::		
	(a) Derivative instruments	XXX	XXX
	(b) Segregated accounts companies	XXX	XXX
	(c) Deposit assets	XXX	XXX
	(d) _____	XXX	XXX
	(e) Total sundry assets	<u>XXX</u>	<u>XXX</u>
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
	(a) Letters of credit	XXX	XXX
	(b) Guarantees	XXX	XXX
	(c) Other instruments	XXX	XXX
	(d) Total letters of credit, guarantees and other instruments	<u>XXX</u>	<u>XXX</u>
15.	TOTAL:	<u>XXX</u>	<u>XXX</u>
	GENERAL BUSINESS INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
STMT.		20XX	20XX
LINE No.			
<hr/>			
	INSURANCE RESERVES		
16.	UNEARNED PREMIUMS		
17.	LOSS AND LOSS EXPENSE PROVISIONS		
	(a) Gross loss and loss expense provisions	XXX	XXX
	(b) Less: Reinsurance recoverable balance	XXX	XXX
	(i) Foreign affiliates	XXX	XXX
	(ii) Domestic affiliates	XXX	XXX
	(iii) Pools & associations	XXX	XXX
	(iv) All other insurers	<u>XXX</u>	<u>XXX</u>
	(c) Total reinsurance recoverable balance	<u>XXX</u>	<u>XXX</u>
	(d) Net loss and loss expense provisions	<u>XXX</u>	<u>XXX</u>
18.	OTHER INSURANCE RESERVES—	<u>XXX</u>	<u>XXX</u>
	GENERAL BUSINESS		
19.	TOTAL GENERAL BUSINESS—	<u>XXX</u>	<u>XXX</u>
	INSURANCE RESERVES		
	OTHER LIABILITIES		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	XXX	XXX
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	XXX	XXX
30.	LOANS AND NOTES PAYABLE	XXX	XXX
31.	(a) INCOME TAXES PAYABLE	XXX	XXX
	(b) DEFERRED INCOME TAXES	XXX	XXX
32.	AMOUNTS DUE TO AFFILIATES	XXX	XXX
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	XXX	XXX
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS	XXX	XXX

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	(a) Affiliated	XXX	XXX
	(b) Non-affiliated	XXX	XXX
	(c) Total funds held under reinsurance contracts	XXX	XXX
35.	DIVIDENDS PAYABLE	XXX	XXX
36.	SUNDRY LIABILITIES:		
	(a) Derivative instruments	XXX	XXX
	(b) Segregated accounts companies	XXX	XXX
	(c) Deposit liabilities	XXX	XXX
	(d) _____	XXX	XXX
	(e) Total sundry liabilities	XXX	XXX
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
	(a) Letters of credit	XXX	XXX
	(b) Guarantees	XXX	XXX
	(c) Other instruments	XXX	XXX
	(d) Total letters of credit, guarantees and other instruments	XXX	XXX
38.	TOTAL OTHER LIABILITIES	XXX	XXX
39.	TOTAL GENERAL BUSINESS INSURANCE RESERVES AND OTHER LIABILITIES	XXX	XXX
	STATUTORY CAPITAL AND SURPLUS		
40.	TOTAL STATUTORY CAPITAL AND SURPLUS	XXX	XXX
41.	TOTAL		

Form 2

[Form 2 revoked by 2015 : 50 s. 15 effective 1 January 2016]

Form 2A

(Reg 4)

STATUTORY STATEMENT OF INCOME  
(General Business – Class 1, Class 2 or Class 3 Insurer)

[blank] name of Company

as at [blank] (day/month/year)

expressed in [blank] (currency used (vide Reg. 10(2)))

STMT. LINE No.		20XX	20XX
	UNDERWRITING INCOME		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	XXX	XXX
	(b) Assumed gross premiums written	XXX	XXX
	(c) TOTAL GROSS PREMIUMS WRITTEN	XXX	XXX
2.	REINSURANCE PREMIUMS CEDED	XXX	XXX

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3.	NET PREMIUMS WRITTEN	XXX	XXX
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS	XXX	XXX
5.	NET PREMIUMS EARNED	XXX	XXX
6.	OTHER INSURANCE INCOME	<u>XXX</u>	<u>XXX</u>
7.		<u>XXX</u>	<u>XXX</u>
	UNDERWRITING EXPENSES		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	<u>XXX</u>	<u>XXX</u>
9.	COMMISSIONS AND BROKERAGE	XXX	XXX
	OTHER UNDERWRITING EXPENSES		
10.	GENERAL AND ADMINISTRATIVE	XXX	XXX
11.	PERSONNEL COSTS	XXX	XXX
12.	OTHER	<u>XXX</u>	<u>XXX</u>
13.		<u>XXX</u>	<u>XXX</u>
14.	UNDERWRITING PROFIT (LOSS)	XXX	XXX
15.	TRANSFERRED FROM (TO) OPEN YEARBUSINESS REVENUE STATEMENT	XXX	XXX
16.	NET UNDERWRITING PROFIT (LOSS)	XXX	XXX
17.	GENERAL BUSINESS INVESTMENT INCOME—NET	<u>XXX</u>	<u>XXX</u>
18.	INCOME BEFORE THE UNDERNOTED ITEMS	XXX	XXX
37.	OTHER INCOME (DEDUCTIONS)	<u>XXX</u>	<u>XXX</u>
38.	INCOME BEFORE TAXES	<u>XXX</u>	<u>XXX</u>
39.	INCOME TAXES (IF APPLICABLE):		
	(a) Current	- XXX	- XXX
	(b) Deferred	<u>XXX</u>	<u>XXX</u>
	(c) Total	<u>XXX</u>	<u>XXX</u>
40.	INCOME BEFORE REALIZED GAINS (LOSSES)	XXX	XXX
41.	REALIZED GAINS (LOSSES)	<u>XXX</u>	<u>XXX</u>
42.	NET INCOME	<u>XXX</u>	<u>XXX</u>

Form 3

STATUTORY OPEN YEAR BUSINESS REVENUE STATEMENT  
(General Business)

[temporarily omitted]

Form 4

STATUTORY BALANCE SHEET (Long-term Business)

[blank] name of Company

as at [blank] (day/month/year)

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expressed in [blank] (currency used (vide Reg. 10(2)))

		ASSETS	
STMT. LINE No.		20XX	20XX
1.	CASH AND TIME DEPOSITS	XXX	XXX
2.	QUOTED INVESTMENTS:		
	Bonds and Debentures		
	(a) Bonds and debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total bonds and debentures	XXX	XXX
	(c) Equities		
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX
	(e) Other quoted investments	XXX	XXX
	(f) Total quoted Investments	XXX	XXX
3.	UNQUOTED INVESTMENTS:		
	Bonds and Debentures		
	(a) Bonds and debentures		
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total bonds and debentures	XXX	XXX
	(c) Equities		
	(i) Common stocks	<u>XXX</u>	<u>XXX</u>
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX
	(e) Other quoted investments	XXX	XXX
	(f) Total quoted investments	XXX	XXX

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4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES:		
	(a) Unregulated entities that conduct ancillary services		
	(b) Unregulated non-financial operating entities		
	(c) Unregulated financial operating entities		
	(d) Regulated non-insurance financial operating entities		
	(e) Regulated insurance financial operating entities		
	(f) Total investments in affiliates (equity method)		
	(g) Advances to affiliates		
	(h) Total investments in and advances to affiliates (equity method)		
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
	(a) First liens	XXX	XXX
	(b) Other than first liens	XXX	XXX
	(c) Total investment in mortgage loans on real estate	<u>XXX</u>	<u>XXX</u>
6.	POLICY LOANS		
7.	REAL ESTATE:	XXX	XXX
	(a) Occupied by the company (less encumbrances)	XXX	XXX
	(b) Other properties (less encumbrances)	XXX	XXX
	(c) Total real estate	XXX	XXX
8.	COLLATERAL LOANS	XXX	XXX
9.	INVESTMENT INCOME DUE AND ACCRUED	XXX	XXX
10.	ACCOUNTS AND PREMIUMS RECEIVABLE		
	(a) In course of collection	XXX	XXX
	(b) Deferred - not yet due	XXX	XXX
	(c) Receivables from retrocessional contracts	XXX	XXX
	(d) Total accounts and premiums receivable	XXX	XXX
11.	REINSURANCE BALANCES RECEIVABLE		
	(a) Foreign affiliates	XXX	XXX

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	(b) Domestic affiliates	XXX	XXX
	(c) Pools and associations	XXX	XXX
	(d) All other insurers	XXX	XXX
	(e) Total reinsurance balances receivable	XXX	XXX
12.	FUNDS HELD BY CEDING REINSURERS	XXX	XXX
	(a) Affiliated	XXX	XXX
	(b) Non-affiliated	XXX	XXX
	(c) Total funds held by ceding reinsurers	XXX	XXX
13.	SUNDRY ASSETS:		
	(a) Derivative instruments	XXX	
		XXX	
	(b) Segregated accounts companies-variable annuities	XXX	
		XXX	
	(c) Segregated accounts companies - others	XXX	
		XXX	
	(d) Deposit Assets	XXX	
		XXX	
	(e) _____	XXX	XXX
	(f) Total sundry assets	XXX	
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
	(a) Letters of credit	XXX	XXX
	(b) Guarantees	XXX	XXX
	(c) Other instruments	XXX	XXX
	(d) Total letters of credit, guarantees and other instruments	XXX	XXX
15.	TOTAL	<u>XXX</u>	<u>XXX</u>
	LONG-TERM BUSINESS INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
STMT.			
LINE No.		20XX	20XX
	LONG-TERM BUSINESS INSURANCE RESERVES		



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20.	RESERVES FOR REPORTED CLAIMS	XXX	XXX
21.	RESERVES FOR UNREPORTED CLAIMS	XXX	XXX
22.	POLICY RESERVES — LIFE	XXX	XXX
23.	POLICY RESERVES — ACCIDENT AND HEALTH	XXX	XXX
24.	POLICYHOLDERS' FUNDS ON DEPOSIT	XXX	XXX
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS	XXX	XXX
26.	OTHER INSURANCE RESERVES — LONG-TERM	XXX	XXX
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES:	XXX	XXX
	(a) Gross long-term business insurance reserves	XXX	XXX
	(b) Less: Reinsurance recoverable balance:		
	(i) Foreign affiliates	XXX	XXX
	(ii) Domestic affiliates	XXX	XXX
	(iii) Pools & associations	XXX	XXX
	(iv) All other insurers	XXX	XXX
	(c) Total reinsurance recoverable balance	XXX	XXX
	(d) Net long-term business insurance reserves	XXX	XXX
	OTHER LIABILITIES		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	XXX	XXX
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	XXX	XXX
30.	LOANS AND NOTES PAYABLE	XXX	XXX
31.	(a) INCOME TAXES PAYABLE	XXX	XXX
	(b) DEFERRED INCOME TAXES	XXX	XXX

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32.	AMOUNTS DUE TO AFFILIATES	XXX	XXX
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	XXX	XXX
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
	(a) Affiliated	XXX	XXX
	(b) Non-affiliated	XXX	XXX
	(c) Total funds held under reinsurance contracts	XXX	XXX
35.	DIVIDENDS PAYABLE	XXX	XXX
36.	SUNDRY LIABILITIES:		
	(a) Derivative instruments	XXX	XXX
	(b) Segregated accounts companies	XXX	XXX
	(c) Deposit liabilities	XXX	XXX
	(d) _____	XXX	XXX
	(e) Total sundry liabilities	XXX	XXX
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
	(a) Letters of credit	XXX	XXX
	(b) Guarantees	XXX	XXX
	(c) Other instruments	XXX	XXX
	(d) Total letters of credit, guarantees and other instruments	XXX	XXX
38.	TOTAL OTHER LIABILITIES	<u>XXX</u>	<u>XXX</u>
39.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES AND OTHER LIABILITIES	<u>XXX</u>	<u>XXX</u>
	STATUTORY CAPITAL AND SURPLUS		
40.	TOTAL STATUTORY CAPITAL AND SURPLUS	XXX	XXX
41.	TOTAL	<u>XXX</u>	<u>XXX</u>

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Form 5

STATUTORY STATEMENT OF INCOME (Long-term Business)

[blank] name of Company

as at [blank] (day/month/year)

expressed in [blank] (currency used (vide Reg. 10(2)))

STMT. LINE No.		20XX	20XX
19.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations	XXX	XXX
	(b) Assumed gross premiums and other considerations	XXX	XXX
	(c) Total gross premiums and other considerations	XXX	XXX
	(d) REINSURANCE PREMIUMS CEDED	XXX	XXX
	(e) NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(i) Life	XXX	XXX
	(ii) Annuities	XXX	XXX
	(iii) Accident and Health	XXX	XXX
	(iv) Total Net Premiums and Other Considerations	XXX	XXX
20.	LONG-TERM BUSINESS INVESTMENT INCOME — NET	XXX	XXX
21.	OTHER INSURANCE INCOME	XXX	XXX
22.		XXX	XXX
	DEDUCTIONS		
23.	Claims — Life	XXX	XXX
24.	Policyholders' Dividends	XXX	XXX

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25.	Surrenders	XXX	XXX
26.	Maturities	XXX	XXX
27.	Annuities	XXX	XXX
28.	Accident and Health Benefits	XXX	XXX
29.	Commissions	XXX	XXX
30.	Other	XXX	XXX
31.		XXX	XXX
32.	OPERATING EXPENSES	XXX	XXX
33.		XXX	XXX
34.	General Business - Class 1, Class 2 or Class 3 Insurer:		
	(a) Life	XXX	XXX
	(b) Annuities	XXX	XXX
	(c) Accident and Health	XXX	XXX
	(d) Total (Increase) Decrease in policy reserves	XXX	XXX
35.	INCOME BEFORE THE UNDERNOTED ITEMS	XXX	XXX
37.	OTHER INCOME (DEDUCTIONS)	XXX	XXX
38.	INCOME BEFORE TAXES	XXX	XXX
39.	INCOME TAXES (IF APPLICABLE):		
	(a) Current	XXX	XXX
	(b) Deferred	XXX	XXX
	(c) Total	XXX	XXX
40.	INCOME BEFORE REALIZED GAINS (LOSSES)		
41.	REALIZED GAINS (LOSSES)	XXX	XXX

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42. NET INCOME XXX XXX

Form 6

STATUTORY BALANCE SHEET

(Section 24(6) Composite and Special Purpose Insurer)

[blank] name of Company

as at [blank] (day/month/year)

expressed in [blank] (currency used (vide Reg. 10(2)))

ASSETS

STMT. LINE No.		20XX	20XX
1.	CASH AND TIME DEPOSITS	XXX	XXX
2.	QUOTED INVESTMENTS:		
	(a) Bonds and Debentures	XXX	XXX
	(i) Held to maturity	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total Bonds and Debentures	XXX	XXX
	(c) Equities	XXX	XXX
	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX
	(e) Other quoted investments	XXX	XXX
	(f) Total quoted investments	XXX	XXX
3.	UNQUOTED INVESTMENTS:		
	(a) Bonds and Debentures	XXX	XXX
	(i) Held to maturity _____	XXX	XXX
	(ii) Other	XXX	XXX
	(b) Total Bonds and Debentures	XXX	XXX
	(c) Equities	XXX	XXX

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	(i) Common stocks	XXX	XXX
	(ii) Preferred stocks	XXX	XXX
	(iii) Mutual funds	XXX	XXX
	(d) Total equity investments	XXX	XXX
	(e) Other unquoted investments	XXX	XXX
	(f) Total unquoted investments	XXX	XXX
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES:		
	(a) Unregulated entities that conduct ancillary services		
	(b) Unregulated non-financial operating entities		
	(c) Unregulated financial operating entities		
	(d) Regulated non-insurance financial operating entities		
	(e) Regulated insurance financial operating entities		
	(f) Total investments in affiliates (equity method)		
	(g) Advances to affiliates		
	(h) Total investments in and advances to affiliates (equity method)		
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
	(a) First liens	XXX	XXX
	(b) Other than first liens	XXX	XXX
	(c) Total investment in mortgage loans on real estate	XXX	XXX
6.	POLICY LOANS	XXX	XXX
7.	REAL ESTATE:		
	(a) Occupied by the company (less encumbrances)		
		XXX	XXX
	(b) Other properties (less encumbrances)	XXX	XXX
	(c) Total real estate	XXX	XXX
8.	COLLATERAL LOANS	XXX	XXX

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9.	INVESTMENT INCOME DUE AND ACCRUED	XXX	XXX
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:	XXX	XXX
	(a) In course of collection	XXX	XXX
	(b) Deferred - not yet due	XXX	XXX
	(c) Receivables from retrocessional contracts	XXX	XXX
	(d) Total accounts and premiums receivable	XXX	XXX
11.	REINSURANCE BALANCES RECEIVABLE:		
	(a) Foreign affiliates	XXX	XXX
	(b) Domestic affiliates	XXX	XXX
	(c) Pools & associations	XXX	XXX
	(d) All other insurers	XXX	XXX
	(e) Total reinsurance balances receivable	XXX	XXX
12.	FUNDS HELD BY CEDING REINSURERS:		
	(a) Affiliated	XXX	XXX
	(b) Non-affiliated	XXX	XXX
	(c) Total funds held by ceding reinsurers	XXX	XXX
13.	SUNDRY ASSETS:		
	(a) Derivative instruments	XXX	
		XXX	
	(b) Segregated accounts companies - variable annuities	XXX	
		XXX	
	(c) Segregated accounts companies - others	XXX	
		XXX	
	(d) Deposit Assets	XXX	
		XXX	
	(e) _____	XXX	XXX
	(f) Total sundry assets	XXX	
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
	(a) Letters of credit	XXX	XXX
	(b) Guarantees	XXX	XXX
	(c) Other instruments	XXX	XXX
	(d) Total letters of credit, guarantees and other instruments	XXX	XXX
15.	TOTAL	XXX	XXX

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GENERAL BUSINESS INSURANCE RESERVES, LONG-TERM BUSINESS  
INSURANCE RESERVES, OTHER LIABILITIES AND  
STATUTORY CAPITAL AND SURPLUS

STMT. LINE No.		20XX	20XX
	GENERAL BUSINESS INSURANCE RESERVES		
16.	UNEARNED PREMIUMS	XXX	XXX
17.	LOSS AND LOSS EXPENSES PROVISIONS:		
	(a) Gross loss and loss expense provisions	XXX	XXX
	(b) Less: Reinsurance recoverable balance	XXX	XXX
	(i) Foreign affiliates	XXX	XXX
	(ii) Domestic affiliates	XXX	XXX
	(iii) Pools & associations	XXX	XXX
	(iv) All other insurers	XXX	XXX
	(c) Total reinsurance recoverable balance	<u>XXX</u>	<u>XXX</u>
	(d) Net loss and loss expense provisions		
18.	OTHER INSURANCE RESERVES — GENERAL BUSINESS	XXX	XXX
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	<u>XXX</u>	<u>XXX</u>
	LONG-TERM BUSINESS INSURANCE RESERVES		
20.	RESERVES FOR REPORTED CLAIMS	XXX	XXX
21.	RESERVES FOR UNREPORTED CLAIMS	XXX	XXX
22.	POLICY RESERVES — LIFE	XXX	XXX
23.	POLICY RESERVES — ACCIDENT AND HEALTH	XXX	XXX



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24.	POLICYHOLDERS' FUNDS ON DEPOSIT	XXX	XXX
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS	XXX	XXX
26.	OTHER INSURANCE RESERVES — LONG-TERM	XXX	XXX
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES:		
		XXX	XXX
	(a) Gross long-term business insurance reserves	XXX	XXX
	(b) Less: Reinsurance recoverable balance	XXX	XXX
	(i) Foreign affiliates	XXX	XXX
	(ii) Domestic affiliates	XXX	XXX
	(iii) Pools & associations	XXX	XXX
	(iv) All other insurers	XXX	XXX
	(c) Total reinsurance recoverable balance	XXX	XXX
	(d) Net long-term business insurance reserves	XXX	XXX
	OTHER LIABILITIES		
28.	INSURANCE AND REINSURANCE BALANCES PAYABLE	XXX	XXX
29.	COMMISSIONS, EXPENSES, FEES AND TAXES PAYABLE	XXX	XXX
30.	LOANS AND NOTES PAYABLE	XXX	XXX
31.	(a) INCOME TAXES PAYABLE	XXX	XXX
	(b) DEFERRED INCOME TAXES	XXX	XXX
32.	AMOUNTS DUE TO AFFILIATES	XXX	XXX
33.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	XXX	XXX
34.	FUNDS HELD UNDER REINSURANCE CONTRACTS:		
	(a) Affiliated	XXX	XXX
	(b) Non-affiliated	XXX	XXX

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	(c) Total funds held under reinsurance contracts	XXX	XXX
35.	DIVIDENDS PAYABLE	XXX	XXX
36.	SUNDRY LIABILITIES:		
	(a) Derivative instruments	XXX	XXX
	(b) Segregated accounts companies	XXX	XXX
	(c) Deposit liabilities	XXX	XXX
	(d) _____	XXX	XXX
	(e) Total sundry liabilities	XXX	XXX
37.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS:		
	(a) Letters of credit	XXX	XXX
	(b) Guarantees	XXX	XXX
	(c) Other instruments	XXX	XXX
	(d) Total letters of credit, guarantees and other instruments	XXX	XXX
38.	TOTAL OTHER LIABILITIES	XXX	XXX
39.	TOTAL GENERAL BUSINESS INSURANCE RESERVES AND OTHER LIABILITIES	XXX	XXX
	STATUTORY CAPITAL AND SURPLUS		
40.	TOTAL STATUTORY CAPITAL AND SURPLUS	XXX	XXX
41.	TOTAL	XXX	XXX

Form 7

STATUTORY STATEMENT OF INCOME  
(Section 24(6) Composite and Special Purpose Insurer)

[blank] name of Company

for the year ended [blank] (day/month/year)

expressed in [blank] (currency used (vide Reg. 10(2)))

INSURANCE ACCOUNTS REGULATIONS 1980

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STMT. LINE No.		20XX	20XX
	UNDERWRITING INCOME		
1.	GROSS PREMIUMS WRITTEN:		
	(a) Direct gross premiums written	XXX	XXX
	(b) Assumed gross premiums written	XXX	XXX
	(c) TOTAL GROSS PREMIUMS WRITTEN	XXX	XXX
2.	REINSURANCE PREMIUMS CEDED	XXX	XXX
3.	NET PREMIUMS WRITTEN	XXX	XXX
4.	(DECREASE) INCREASE IN UNEARNED PREMIUMS	XXX	XXX
5.	NET PREMIUMS EARNED	XXX	XXX
6.	OTHER INSURANCE INCOME	XXX	XXX
7.		XXX	XXX
	UNDERWRITING EXPENSES		
8.	NET LOSS INCURRED AND NET LOSS EXPENSES INCURRED	XXX	XXX
9.	COMMISSIONS AND BROKERAGE	XXX	XXX
	OTHER UNDERWRITING EXPENSES		
10.	GENERAL ADMINISTRATIVE	XXX	XXX
11.	PERSONNEL COSTS	XXX	XXX
12.	OTHER	XXX	XXX
13.		XXX	XXX
14.	UNDERWRITING PROFIT (LOSS)	XXX	XXX
15.	TRANSFERRED FROM (TO) OPEN YEAR BUSINESS REVENUE STATEMENT	XXX	XXX

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16.	NET UNDERWRITING PROFIT (LOSS)	XXX	XXX
17.	GENERAL BUSINESS INVESTMENT INCOME — NET	XXX	XXX
18.	INCOME FROM GENERAL BUSINESS BEFORE THE UNDERNOTED ITEMS	XXX	XXX
19.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations	XXX	XXX
	(b) Assumed gross premiums and other considerations	XXX	XXX
	(c) Total gross premiums and other considerations	XXX	XXX
	(d) REINSURANCE PREMIUMS CEDED	XXX	XXX
	(e) NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(i) Life	XXX	XXX
	(ii) Annuities	XXX	XXX
	(iii) Accident and Health	XXX	XXX
	(iv) Total Net Premiums and Other Considerations	XXX	XXX
20.	LONG-TERM BUSINESS INVESTMENT INCOME — Net	XXX	XXX
21.	OTHER INSURANCE INCOME	XXX	XXX
22.	DEDUCTIONS	XXX	XXX
23.	Claims — Life	XXX	XXX
24.	Policyholders' Dividends	XXX	XXX
25.	Surrenders	XXX	XXX
26.	Maturities	XXX	XXX
27.	Annuities	XXX	XXX
28.	Accident and Health Benefits	XXX	XXX
29.	Commissions	XXX	XXX

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30.	Other	XXX	XXX
31.		XXX	XXX
32.	OPERATING EXPENSES	XXX	XXX
33.		XXX	XXX
34.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life	XXX	XXX
	(b) Annuities	XXX	XXX
	(c) Accident and Health	XXX	XXX
	(d) Total Increase (Decrease) in policy reserves	XXX	XXX
35.	INCOME BEFORE THE UNDERNOTED ITEMS	XXX	XXX

COMBINED INCOME AND UNALLOCATED ITEMS

STMT. LINE No.		20XX	20XX
	INCOME BEFORE UNALLOCATED ITEMS		
18.	GENERAL BUSINESS	XXX	XXX
35.	LONG-TERM BUSINESS	XXX	XXX
36.	COMBINED INCOME	XXX	XXX
37.	OTHER INCOME (DEDUCTIONS)	XXX	XXX
38.	INCOME BEFORE TAXES	XXX	XXX
39.	INCOME TAXES (IF APPLICABLE):		
	(a) Current	XXX	XXX

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	(b) Deferred	XXX	XXX
	(c) Total	XXX	XXX
40.	INCOME BEFORE REALIZED GAINS (LOSSES)	XXX	XXX
41.	REALIZED GAINS (LOSSES)	XXX	XXX
42.	NET INCOME	XXX	XXX

Form 8

STATUTORY STATEMENT OF CAPITAL AND SURPLUS

[blank] name of Company

as at [blank] (day/month/year)

expressed in [blank] (currency used (vide Reg. 10(2)))

STMT.

LINE No.		20XX	20XX
1.	STATUTORY CAPITAL:		
(a)	Capital Stock		
	(i) Common Shares: authorized shares of par value each issued and fully paid shares	XXX	XXX
	(ii) Preferred Shares: authorized shares of par value each issued and fully paid shares		
	aggregate liquidation value for:		
	20xx      XXX	XXX	XXX
	20xx      XXX	XXX	XXX
	(iii) Treasury shares Repurchased shares of par value each issued and fully paid	XXX	XXX
(b)	Contributed surplus	XXX	XXX
(c)	Any other fixed capital		
	(i) Hybrid capital instruments	XXX	XXX
	(ii) Guarantees and others	<u>XXX</u>	<u>XXX</u>
	(iii) Total any other fixed capital	<u>XXX</u>	<u>XXX</u>
(d)	Total Statutory Capital	XXX	XXX
2.	STATUTORY SURPLUS:		

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(a)	Statutory Surplus — Beginning of Year	XXX	XXX
(b)	Add: Income for the year	XXX	XXX
(c)	Less: Dividends paid and payable	XXX	XXX
(d)	Add (Deduct) change in unrealized appreciation (depreciation) of investments	XXX	XXX
(e)	Add (Deduct) change in non-admitted assets	<u>XXX</u>	<u>XXX</u>
(f)	Add (Deduct) change in appraisal of real estate	<u>XXX</u>	<u>XXX</u>
(g)	Add (Deduct) change in any other statutory surplus	<u>XXX</u>	<u>XXX</u>
(h)	Statutory Surplus — End of Year	XXX	XXX
3.	TOTAL STATUTORY CAPITAL AND SURPLUS	<u>XXX</u>	<u>XXX</u>

*[Schedule 1 amended by BR 29/1989 effective 7th July 1989; Form 1A and Form 2A inserted and Form 6 and Form 7 amended by BR 1/2009 reg.8 effective 31 December 2008; Schedule 1 amended by BR 24 / 2010 reg.3 effective 31 December 2009; amended by BR 93 / 2010 reg.6 effective 31 December 2010; amended and Forms 4, 5, 6, 7 and 8 deleted and substituted by 2011 : 44 Sch. 1 effective 31 December 2011; Form 8 repealed and replaced by 2012 : 36 s. 21 effective 1 January 2013; Forms 4, 5, 6 and 7 amended by 2013 : 46 Sch. 1 effective 1 January 2014; Forms 1 and 2 revoked and Forms 1A, 2A, 5 and 7 amended by 2015 : 50 s. 15 effective 1 January 2016]*

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SCHEDULE II

(Reg. 8)

NOTES TO STATUTORY FINANCIAL STATEMENTS

PART I

*[Part I revoked by 2015 : 50 s. 15 effective 1 January 2016]*

PART II

*[Part II revoked by 2015 : 50 s. 15 effective 1 January 2016]*

PART III

Matters to be set forth in Notes to  
the Statutory Statement of Income - Class 1, Class 2 and Class 3 insurers

Information required to be given

*[Note: The numerals in bold type refer to the numbers of the line of the statutory statement of income]*

37. Other income (deductions)

The nature of material items that have been included.

41. Realized gains (losses)

The nature of material items that have been included.

PART IV

Matters to be set forth in Notes to the  
Statutory Statement of Capital and Surplus

Information required to be given

*[Note: The numerals in bold type and letters in bold type in parentheses refer to the numbers of the line of the statutory statement of capital and surplus]*

1(a) Capital stock

As respects authorized capital stock there shall be disclosed severally—

- (a) the number of common shares and preferred shares of each class, the par value, if any, of each class and a brief description of each class;
- (b) the dividend rates applicable to any preference shares, and whether the dividends are cumulative, including the liquidation values of the preference shares;
- (c) the redemption price of any redeemable shares;
- (d) any conversion provisions.



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As respects issued capital stock there shall be disclosed severally—

- (a) the number of shares in, and the capital stock amounts for, each class of common and preferred shares;
- (b) the amounts called and unpaid or otherwise due in respect of those shares;
- (c) the amounts not called on those shares that will become receivable in due course when called.

As respects issued capital stock there shall be disclosed severally—

- (a) the number of shares repurchased, and the capital stock amounts for, each class of common and preferred shares;
- 1(b) Contributed surplus  
The nature of any change in contributed surplus during the relevant year.
- 1(c) Any other fixed capital  
The nature, terms and conditions comprising any other fixed capital approved by the Authority, including any material change during the relevant year.
- 2(c) Dividends paid and payable  
The amount and nature of any dividend paid during the relevant year that was other than a cash dividend.
- B. There shall also be disclosed in notes the following information—
  - (a) details of any change in the authorized capital stock of the insurer during the relevant year;
  - (b) where an insurer has contracted to issue or re-issue shares or has given options to purchase shares, the class and number of shares affected, the price and date of the issue or re-issue of the shares or the exercise of the options and (shown separately) the total number of shares in respect of which options are held by directors and officers of the insurer;
  - (c) details of any share transactions during the relevant year including—
    - (i) the number of shares of each class issued since the date of the last statutory balance sheet, giving the value attributed thereto and distinguishing—
      - (aa) shares issued for cash (showing separately shares issued pursuant to options or warrants);
      - (bb) shares issued directly or indirectly for services; and
      - (cc) shares issued directly or indirectly for other considerations;
    - (ii) the number of shares of each class redeemed since the date of the last statutory balance sheet and the consideration given and, where the

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consideration was other than cash, the nature of the consideration given and the value attributed thereto.

PART V

(Reg 8(2))

Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite and Special Purpose Insurer

Line of statutory balance sheet

Information required to be given

1. Cash and time deposits

Any encumbrance on cash or time deposits must be disclosed. Examples of such encumbrances are: irrevocable letters of credit; amounts held for security or as collateral against a liability of the insurer or an affiliate; any other use restriction such that the funds in question are held in escrow or in a custodial account.

2. Quoted investments

The method of valuation of quoted investment must be described. Any encumbrance on quoted investments must be disclosed. Examples of such encumbrances are: irrevocable letters of credit; amounts held for security or as collateral against a liability of the insurer or an affiliate.

3. Unquoted investments

The method of valuation of any unquoted investment must be described. Any encumbrance on unquoted investments must be disclosed. Examples of such encumbrances are: irrevocable letters of credit; amounts held for security or as collateral against a liability of the insurer or an affiliate.

4. Investment in and advances to affiliates

The method of valuation must be described.

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Line of statutory balance sheet	Information required to be given
5. Investments in mortgage loans on real estate	Repayment terms and the rates of interest applicable to advances must also be given.  The range of interest rates and the range of maturity dates for mortgage loans on real estate must be disclosed.
7. Real estate	As regards real estate - (a) (i) the method of valuation; and (ii) where there are encumbrances, the value of the real estate before encumbrances, the amount and nature of the encumbrances and the repaying terms and interest rates applicable to the encumbrances, shall be disclosed; (b) where an independent appraisal has been made, real estate may be valued at the appraisal value net of the amount of any encumbrances. In such a case, full details of the appraisal (including the date of the appraisal, the name of the appraiser, the basis of valuation and the disposition of any amounts added to or deducted from the book value) shall be disclosed; (c) where other properties (ie properties not occupied by the insurer) are included in the statutory balance sheet, the nature of the investments represented by those properties (for example whether held for investment return, or as a result of default of mortgage, or for speculative gain) shall be disclosed.
8. Collateral loans	Description and amount of the collateral loans.

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Line of statutory balance sheet	Information required to be given
10. Accounts and premiums receivable	The following must be disclosed in a note: (a) Details of collateralized balances. (b) The amount of the receivable balance with affiliates.
11. Reinsurance balances receivable	The following must be disclosed in a note-  (a) The name of the person granting the letter of credit and the name of the person in whose favour the letter of credit was granted.  (b) The amount of the letter of credit.  (c) The purpose for which the letter of credit was granted. The amount held by affiliates shall be disclosed.
12. Funds held by ceding reinsurers	
13. Sundry assets	(a) The nature and terms of these assets.  (b) For derivatives and embedded derivatives, if any, the following must be disclosed—  (i) a description of the policies surrounding the use of derivatives; and  (ii) market value and nominal exposure of each derivative by issuer with nominal exposure greater than 5% of the aggregate sum of the total quoted and unquoted investments. Disclosure should be separated between long and short positions.
14. Letters of credit, guarantees and other instruments	The following must be disclosed in a note - (a) the name of the person granting the letter of credit,

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Line of statutory balance sheet	Information required to be given
16. Unearned premiums	guarantee or other instrument, and the name of the person in whose favour the letter of credit, guarantee or other instrument was granted; (b) the amount of the letter of credit, guarantee or other instrument; (c) the purpose for which the letter of credit, guarantee or other instrument was granted.  The method of calculating unearned premiums.
17. Loss and loss expense provisions	The following must be disclosed in a note-  (a) Movements in the loss and loss expense provisions for the current year and previous year as per the table below.  (b) Reasons for the change in the net losses incurred and net loss expenses incurred related to prior years and indicate whether additional premiums or return premiums have been accrued as a result of the prior year effects.  (c) For the loss and loss expense provisions the following must be disclosed, if any—  (i) total restricted assets - an amount equal to the value of all that are held for security or collateral against a liability or contingent liability; and  (ii) unsecured policyholder obligations - an amount equal to all policyholder obligations that are not

INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet

Information required to be given

secured by assets or collateral.

Table (Line 17(a))

	20XX	20XX
Gross loss and loss expense provisions at beginning of year	XXX	XXX
Less : Reinsurance recoverable at beginning of year	<u>(XXX)</u>	<u>(XXX)</u>
Net loss and loss expense provisions at beginning of year	XXX	XXX
Current year	XXX	XXX
Prior years	<u>XXX</u>	<u>XXX</u>
Total net incurred losses and loss expenses	XXX	XXX
Net losses and loss expenses paid or payable related to:	XXX	XXX
Current year	XXX	XXX
Prior years	<u>XXX</u>	<u>XXX</u>
Total losses and loss expenses paid or payable	-	-
Foreign exchange and other	<u>XXX</u>	<u>XXX</u>
Net loss and loss expense provisions at end of year	XXX	XXX
Add: Reinsurance recoverable at end of year	XXX	XXX
Gross loss and loss expense provisions at end of year	XXX	XXX

For the long-term business insurance reserves the following must be disclosed, if any—

- (a) Total restricted assets - an amount equal to the value of all assets that are held for security or collateral against a liability or contingent liability; and
- (b) Unsecured policyholder obligations - an amount equal to all policyholder obligations that are not secured by assets or collateral
- 20. Reserves for report claims
- 21. Reserves for unreported claims
- 22. Policy reserves - life
- 23. Policy reserves accident and health
- 25. Liability for future policyholders' dividends
- 26. Other insurance reserves - long term
- 28. Insurance and reinsurance balances payable
- 30. Loans and notes payable

The payable balance to affiliates shall be disclosed.

The repayment terms, rates of interest and the nature of collateral given, if any.

31 (a) Income taxes payable

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(b) Deferred income taxes	Details of the deferred income tax provision.
32. Amounts due to affiliates	The repayment terms, rates of interest and the nature of collateral given, if any.
34. Funds held under reinsurance contracts	The amount held by affiliates shall be disclosed.
36. Sundry liabilities	(a) The nature of these liabilities and the repayment terms; (b) For derivatives and embedded derivatives, if any, the following must be disclosed— (i) a description of the policies surrounding the use of derivatives; and (ii) market value and nominal exposure of each derivative by issuer with nominal exposure greater than 5% of the aggregate sum of the total quoted and unquoted investments. Disclosure should be separated between long and short positions.
37. Letters of credit, guarantees and other instruments	(a) the name of the person granting the letter of credit, guarantee or other instrument, and the name of the person in whose favour the letter of credit, guarantee or other instrument was granted; (b) the amount of the letter of credit, guarantee or other instrument; (c) the purpose for which the letter of credit, guarantee or other instrument was granted.

(Reg 8(2))

Part VI

Matters to be set forth in Notes to the Statutory Statement of Income - Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite and Special Purpose Insurer

## INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory statement of income	Information required to be given
6. Other insurance income	The nature of material items that have been included.
12. Other underwriting income	
37. Other income (deductions)	The nature of material items that have been included.
	The nature of material items that have been included.
41. Realized gains (losses)	The nature of material items that have been included.

*[Schedule II amended by BR 29/1989 effective 7th July 1989; Parts V and VI inserted by BR 1/2009 reg.9 effective 31 December 2008; Schedule II amended by BR 24 / 2010 reg. 4 effective 31 December 2009; amended by BR 93 / 2010 reg.7 effective 31 December 2010; amended by 2011 : 44 Sch. 1 effective 31 December 2011; Part II amended, and Part IV repealed and replaced by 2012 : 36 s. 21 effective 1 January 2013; Parts I and II revoked and Parts V and VI amended by 2015 : 50 s. 15 effective 1 January 2016]*



INSURANCE ACCOUNTS REGULATIONS 1980

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SCHEDULE III

(Reg. 9(2))

INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET

PART I

*[Part I revoked by 2015 : 50 s. 15 effective 1 January 2016]*

PART II

*[Part II revoked by 2015 : 50 s. 15 effective 1 January 2016]*

PART III

Additional instructions for insurers carrying on  
long-term business only

Instructions

*[Note: The numerals in bold type refer to the numbers of the line of statutory balance sheet]*

6. Policy loans

These shall be carried at an amount that is the aggregate of the unpaid balances on policy loans and any unpaid interest, so, however, that, for each loan, that amount shall not exceed the cash surrender value of the policy or the applicable policy reserve.

20. Reserves for reported claims

This line shall disclose an adequate amount set aside by the insurer to meet claims unpaid at the end of the relevant year and made under contracts of insurance and reinsurance in respect of incidents occurring and reported to the insurer before the end of that year.

The said amount shall be reduced by any amount recoverable under a contract of reinsurance in respect of the gross amount provided for. The directors shall make allowance for any such amount as is last-mentioned the collection of which is in their opinion doubtful and adjust the reserve by said amount.

21. Reserves for unreported claims

This line shall disclose an adequate amount set aside by the insurer to meet claims under contracts of insurance and reinsurance in respect of incidents occurring, but not reported to the insurer, before the end of the relevant year. The said amount shall be reduced by any amount recoverable under a contract of reinsurance in respect of the gross amount provided for. The directors shall make allowance for any such amount as is last-mentioned the collection of which is in their opinion doubtful and adjust the reserve by said amount.

22. Policy reserves—life

## INSURANCE ACCOUNTS REGULATIONS 1980

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These shall be an amount, actuarially computed, which is considered adequate to provide future guaranteed benefits as they become payable under the provisions of life insurance policies in force. Amounts applicable to other life contract benefits (such as disability waiver of premium, disability income benefits and additional accidental death benefits) and to annuities and to supplemental contracts with life contingencies may also be included.

The said amount—

- (a) shall not include reserves in respect of accident and health policies; and
- (b) shall be reduced by the amount of reserves ceded under reinsurance contracts.

The directors shall make allowance for any amount the collection of which is in their opinion doubtful and adjust the reserve by said amount.

### 23. Policy reserves—accident & health

These reserves shall be an amount, actuarially computed, which are considered adequate, and shall consist of—

- (a) an active life reserve, that is to say, that portion of due and collected premiums which has been set aside to be recognized as earned in the future consisting of—
  - (i) the unearned portion of the current premium;
  - (ii) additional reserves, that is to say, the reserves applicable to policies which provide for the payment of uniform rate premiums in respect of a risk the cost of which increases with the age of the insured;
  - (iii) reserves for rate credits;
- (b) a claims reserve, that is to say, the present value of amounts not yet due on claims,

provision for future contingent benefits being included in both cases.

The said reserves shall not include the amount of any reserves ceded under reinsurance. The directors shall make allowance for any such amount the collection of which is in their opinion doubtful and adjust the reserve by said amount.

### 24. Policyholders' funds on deposit

These funds shall consist of premiums paid in advance of the due date, whether or not interest is paid for early payment. These liabilities shall be valued at the amounts received by the insurer, plus any interest credited.

### 25. Liability for future policy-holders' dividends

INSURANCE ACCOUNTS REGULATIONS 1980

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This shall be the amount of dividends payable, as declared by the directors, on participating life policies which qualify for such dividends, and shall be recorded at the amount declared.

26. Other insurance reserves—long-term business

These shall consist of any other reserves required by the terms of life or accident and health contracts or as a result of special riders or options attaching to any such contracts, not being reserves provided for in lines 22 to 25 inclusive of the statutory balance sheet.

These must be actuarially determined and be considered adequate.

27. Gross long-term business insurance reserves

This line shall disclose the gross amount of reserves under contract of reinsurance in respect of the gross amount provided for. There shall be disclosed severally—

- (a) Total gross long-term business insurance reserves: Total lines 20 through 26 before the said amounts are reduced by any amount recoverable under a contract of reinsurance in respect of the gross amount provided for;
- (b) Less: Reinsurance recoverable balance on long-term business:
  - (i) Foreign affiliates reinsurance recoverable balance;
  - (ii) Domestic affiliates reinsurance recoverable balance;
  - (iii) Pools and associations;
  - (iv) All other insurers;
- (c) Total reinsurance recoverable balance; the total of (i) through (iv); and
- (d) Total net long-term business insurance reserves: The total of lines 20 to 26 inclusive, or the amount arrived at by subtracting line 27(c) from 27(a).

Part IV

(Reg 9(2))

INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET

Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite and Special Purpose Insurer

Line of statutory balance sheet

Instructions

1. Cash and time deposits

Certificates of deposit shall be included.

## INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet	Instructions
2. Quoted investments	<p>(a) there shall be disclosed severally -</p> <ul style="list-style-type: none"><li>(i) bonds and debentures (held to maturity and other);</li><li>(ii) equities (common stocks, preferred stocks, and mutual funds);</li><li>(iii) other quoted investments;</li><li>(iv) the total of (i), (ii) and (iii);</li></ul> <p>(b) held to maturity bonds and debentures shall be at cost or amortized cost, and adequate provision shall be made for any permanent diminution in value;</p> <p>(c) other bonds and debenture shall be carried at their quoted value;</p> <p>(d) equities (common stocks, preferred stocks, and mutual funds) shall be carried at their quoted value;</p> <p>(e) other quoted investments shall be carried at their quoted value.</p>
3. Unquoted investments	<p>(a) there shall be disclosed severally—</p> <ul style="list-style-type: none"><li>(i) bonds and debentures (held to maturity and other);</li><li>(ii) equities (common stocks, preferred stocks and mutual funds);</li><li>(iii) the total of (i) and (ii);</li></ul> <p>(b) held to maturity bonds and debentures shall be carried either at cost or amortized cost and adequate provision shall be made for any permanent diminution in value;</p> <p>(c) other bonds and debentures at fair value determined in good faith;</p>

INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet	Instructions
4. Investment in and advances to affiliates (Equity Methods)	<p>(d) equities (common stocks, preferred stocks, and mutual funds) shall be carried at fair value determined in good faith.</p> <p>(a) there shall be disclosed severally—</p> <ul style="list-style-type: none"><li>(i) Unregulated entities that conduct ancillary services</li><li>(ii) Unregulated non-financial operating entities</li><li>(iii) Unregulated financial operating entities</li><li>(iv) Regulated non-insurance financial operating entities</li><li>(v) Regulated insurance financial operating entities</li><li>(vi) Total investments in affiliates (equity method)</li><li>(vii) Advances to affiliates</li><li>(viii) Total investments in and advances to affiliates (equity method)</li></ul> <p>(b) amounts receivable or payable on account of policies of insurance or reinsurance with affiliates shall not be included. Such amounts shall be included in accounts and premiums receivable (line 10) and reinsurance balances payable (line 28), respectively;</p> <p>(c) funds held by ceding reinsurers which are affiliates (line 12) and funds held under reinsurance contracts with affiliates (line 34) shall not be included;</p> <p>(d) investments in affiliates shall be valued either by the cost method of valuation or the equity method of valuation: Provided that -</p>

INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet	Instructions
5. Investment in mortgage loans on real estate	<p>(i) if the value arrived at by the use of the equity method of valuation is less than the value arrived at by the cost method of valuation, the value arrived at by the equity method shall be used;</p> <p>(ii) the directors shall carry the said investments at a fair value determined in good faith if that value is less than the valuations under the cost method and the equity method of valuation;</p> <p>(e) advances to affiliates shall be carry at fair value determined in good faith;</p> <p>(f) if any amount is in the opinion of the directors uncollectible, that amount shall be deducted.</p>
7. Real estate	<p>Mortgages shall be carried at the value of the principal amount outstanding less any provision considered by the directors to be needed for doubtful collection, and there shall be disclosed severally -</p> <p>(a) first liens;</p> <p>(b) liens other than first liens; and</p> <p>(c) the total of (a) and (b).</p> <p>(a) both land and buildings shall be included;</p> <p>(b) the insurer's title must be clear and incontestable;</p> <p>(c) there shall be disclosed severally -</p> <p>(i) real estate occupied by the company (less encumbrances);</p>

INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet	Instructions
8. Collateral loans	<p>(ii) other properties (less encumbrances); (iii) the total of (i) and (ii); (d) except where carried at a value determined by an independent appraisal net of encumbrances, real estate shall be carried at the lower of - (i) cost less accumulated depreciation; and (ii) fair value determined in good faith,</p> <p>less the amount of any encumbrances; (e) where an independent appraisal has been made, real estate may be valued at the appraisal value net of the amount of any encumbrances.</p> <p>If any amount is in the opinion of the directors uncollectible, that amount shall be deducted.</p>
9. Investment income due and accrued	<p>If any amount is in the opinion of the directors uncollectible, that amount shall be deducted.</p>
10. Accounts and premiums receivable	<p>(a) there shall be disclosed severally - (i) in course of collection; (ii) deferred - not yet due; (iii) receivables from retrocessional contracts (iv) the total of (i) to (iii); (b) amounts receivable on account of policies of insurance from any person, whether an affiliate or not, shall be included; (c) amounts due from reinsurers and funds held by ceding reinsurers (being amounts or funds which have been included in lines 11 and 12) shall not be included;</p>

INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet	Instructions
11. Reinsurance balances receivable	<p>(d) if any amount is in the opinion of the directors uncollectible, that amount shall be deducted.</p> <p>(a) there shall be disclosed severally -</p> <ul style="list-style-type: none"><li>(i) foreign affiliates;</li><li>(ii) domestic affiliates;</li><li>(iii) pools &amp; associations;</li><li>(iv) all other insurers;</li><li>(v) the total of (i) to (iv);</li></ul> <p>(b) amounts receivable on account of policies of reinsurance from any person, whether an affiliate or not, shall be included;</p> <p>(c) any amount shown in line 10 or 12 shall not be included;</p> <p>(d) if any amount is in the opinion of the directors uncollectible, that amount shall be deducted.</p>
12. Funds held by ceding reinsurers	<p>(a) there shall be disclosed severally -</p> <ul style="list-style-type: none"><li>(i) affiliated;</li><li>(ii) non-affiliated;</li><li>(iii) the total of (i) and (ii);</li></ul> <p>(b) funds held by ceding reinsurers (whether affiliates or not) shall be included;</p> <p>(c) any amount shown in line 10 or 11 shall not be included;</p> <p>(d) if any amount is in the opinion of the directors uncollectible, that amount shall be deducted.</p>
13. Sundry assets	<p>Any asset not accounted for in lines 1 to 12 and 14 may be included here if it has a readily realisable value. Any other assets, prepaid and deferred expenses, goodwill and similar intangible assets, deferred acquisition costs, excess</p>



INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet	Instructions
14. Letters of credit, guarantees and other instruments	of book value over admitted asset value of stocks, and other investments shall be non-admitted assets.  (a) where additional fixed capital has been secured to the insurer by means of an irrevocable letter of credit, a guarantee or any other instrument, an asset may, with the approval of the Authority obtained on an application made for that purpose, be recorded and the capital increased by a corresponding amount. Where such an asset is recorded, it must be shown net of any allowance for its collectibility;
15. Total	(b) letters of credit, guarantees or other instruments in favour of the insurer which relate to insurance operations shall not be recorded.  This shall be the total of lines 1 to 14 inclusive.
16. Unearned premiums	(a) this line shall disclose an adequate amount set aside for unearned premiums, which shall be shown net of the unearned portion of the reinsurance premiums ceded which are used for calculating net premiums written;

INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet

Instructions

- (b) where refunds are expected to be made under retrospective or experience rating plans, adequate provision must be made by an appropriate addition to the unearned premiums reserve;
- (c) acquisition costs shall not be deducted in calculating the amount of unearned premiums;
17. Loss and loss expense provisions
- (a) this line shall disclose an adequate amount set aside by an insurer to meet losses reported before, but not paid by, the last day of the relevant year, in respect of incidents occurring before that day, and to meet expenses likely to be incurred in connection with the investigation, adjustment and settlement of such losses. The said provisions shall include amounts in respect of losses reported. There shall be disclosed the adequate amount in respect of losses incurred but not reported to the insurer before the last day of the relevant year;
- (b) the said amount shall not include any amount recoverable under a contract of reinsurance in respect of the gross amount provided for. The directors shall make allowance for any such amount as is last-mentioned, the collection of which is in their opinion doubtful, and the amount shall be shown net of any such provisions;
- (c) there shall be disclosed severally -
- (i) gross loss and loss expense provisions;
- (ii) foreign affiliates reinsurance

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Line of statutory balance sheet	Instructions
	recoverable balance; (iii) domestic affiliates reinsurance recoverable balance; (iv) pools & associations reinsurance recoverable balance; (v) all other insurers reinsurance recoverable balance; (vi) the total reinsurance recoverable balance of (ii) to (v); (vii) net loss and loss expense provisions - the total of (i) and (vi).
18. Other insurance reserves - general business	The balance from the open year business revenue statement shall be included.
19. Total general business insurance reserves	This shall be the total of lines 16, 17 and 18.
28. Insurance and reinsurance balances payable	(a) amounts, including premiums and other balances, payable to insured persons and reinsurers (whether affiliates or not) under insurance and reinsurance contracts shall be included;  (b) funds held by the insurer under reinsurance contracts (shown on line 34) shall not be included.
29. Commissions, expenses, fees and taxes payable	All liabilities in respect of commissions (including profit commissions), underwriting expenses, fees and taxes (other than income taxes) shall be included. Where the insurer is primarily a reinsurer, the said liabilities may be included in line 28.

INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet	Instructions
30. Loans and notes payable	Loans and notes payable to any person other than an affiliate shall be included here.
31. Income taxes	There shall be disclosed severally - (a) income taxes currently payable; (b) provision for deferred income taxes.
32. Amounts due to affiliates	(a) All balances due to affiliates, not being amounts payable under reinsurance contracts (shown on line 28 or line 34), shall be included here.
33. Accounts payable and accrued liabilities	Any other (non-insurance) accounts payable and accrued liabilities shall be included here.
34. Funds held under reinsurance contracts	(a) Funds held under reinsurance contracts shall be included here.  (b) There shall be disclosed severally— (i) affiliated; (ii) non-affiliated; (ii) the total of (i) and (ii);
35. Dividends payable	The amount of dividends payable to shareholders in the insurer declared prior to the last day of the relevant year and remaining unpaid on that day shall be included here.
36. Sundry liabilities	Any liabilities (including prospective and contingent liabilities) not assigned to another line of the statutory balance sheet shall be included here.

## INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory balance sheet	Instructions
37. Letters of credit, guarantees and other instruments	(a) where letters of credit, guarantees and other instruments are given by the insurer in favour of another person, being letters of credit, guarantees or other instruments not relating to the insurer's insurance operations and in effect encumbering the insurer's assets, a liability shall be recorded and the statutory capital and surplus decreased by a corresponding amount, whether the insurer has pledged specific assets or not under the letters of credit, guarantees or other instruments; (b) letters of credit, guarantees and any other instruments relating to insurance operations shall not be recorded.
38. Total other liabilities	This shall be the total of lines 28 to 37 inclusive.
39. Total general business insurance reserves and other liabilities	This shall be the total of lines 19 and 38, or of lines 27 and 38, or of lines 19, 27 and 38 as the case may require.
40. Total statutory capital and surplus	This shall be the capital and surplus total as at the end of the relevant year, as shown in the statutory statement of capital and surplus.
41. Total	This shall be the total of lines 39 and 40.

*[Schedule III amended by BR 29/1989 effective 7th July 1989; by 1995:20 effective 29 April 1995; by 2001:27 effective 1 October 2001; by BR 41/2005 effective 1 July 2005; by BR 1/2009 reg.10 effective 31 December 2008; amended by BR 24 / 2010 reg. 5 effective 31 December 2009; amended by BR 93 / 2010 reg.8 effective 31 December 2010; amended by 2011 : 44 Sch. 1 effective 31 December 2011; Part III and Part IV amended by 2012 : 36 s. 21 effective 1 January 2013; Part III amended by 2013 : 46 Sch.1 effective 1 January 2014; Parts I and II revoked and Part IV amended by 2015 : 50 s. 15 effective 1 January 2016]*

INSURANCE ACCOUNTS REGULATIONS 1980

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SCHEDULE IV

(Reg. 9(3))

INSTRUCTIONS AFFECTING THE STATUTORY STATEMENT OF INCOME

PART I

*[Part I revoked by 2015 : 50 s. 15 effective 1 January 2016]*

PART II

*[Part II revoked by 2015 : 50 s. 15 effective 1 January 2016]*

PART III

Additional instructions for insurers carrying on  
long-term business only

Instructions

*[Note: The numerals in bold type refer to the numbers of the line of statutory statement of income]*

19. **Gross premiums and other considerations**

These shall be gross premiums and other considerations. The amount shall be disclosed severally in the following categories—

- (a) direct gross premiums and other considerations;
- (b) assumed gross premiums and other considerations;
- (c) this shall be the total of 19(a) and 19(b);
- (d) 19(c) shall be deducted by the total reinsurance ceded under contracts of reinsurance during the relevant year, net of related taxes. The result will be net premiums and considerations;
- (e) this income derived from 19(d) shall be disclosed severally in the following categories—
  - (i) life;
  - (ii) annuities;
  - (iii) accident and health; and
  - (iv) the total of (a) to (c) inclusive.

20. **Long-term business investment income—net**

This income may be shown net of with-holding tax and any other directly related expenses, but shall not include realized gains or losses shown on line 41 of the statutory statement of income.

## INSURANCE ACCOUNTS REGULATIONS 1980

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21. Other insurance income  
This shall be the aggregate of all other income, such as commission and brokerage income, directly related to underwriting long-term business.
22. This shall be the total of lines 19 to 21 inclusive.
23. Claims—life  
This shall be the amount of claims incurred under life insurance policies (in respect, for example, of death or disability) during the relevant year, but shall not include claims ceded under reinsurance contracts.  
Surrenders, maturities, annuities and accident and health benefits which are disclosed in lines 25, 26, 27 or 28 shall not be included.
24. Policyholders' dividends  
These shall be amounts distributed or credited during the relevant year to policyholders with participating life policies.
25. Surrenders  
This shall be amounts incurred during the relevant year as a result of the surrender by policyholders, either for cash or in exchange for some other consideration, of policies with cash surrender values.
26. Maturities  
These shall be amounts incurred as a result of the maturing during the relevant year, after a specified period of time, of any endowment policy before the death of the insured.  
Amounts paid as a result of the death of an insured that is covered by an endowment policy shall be included in line 23.
27. Annuities  
These shall be amounts incurred during the relevant year under the terms of any annuity contract.
28. Accident and health benefits  
These shall be amounts incurred in respect of claims under accident and health contracts, being claims arising out of incidents occurring during the relevant year.
29. Commissions

INSURANCE ACCOUNTS REGULATIONS 1980

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These shall be the aggregate amounts of compensation paid or payable to agents or brokers in return for business procured by them for the insurer in the relevant year in respect of long-term business.

30. Other

These shall include any expenses related to long-term business during the relevant year that are not included in any of lines 23 to 29 inclusive or in line 32.

31. This shall be the total of lines 23 to 30 inclusive.

32. Operating expenses

These shall include the administrative and other general expenses of operating the insurer's long-term business during the relevant year.

33. This shall be the gain (or loss) arrived at by deducting the aggregate of lines 31 and 32 from the amount shown on line 22 (or *vice versa*).

34. Increase (decrease) in policy reserves

This shall be the increase or decrease from the end of the immediately preceding financial year in policy reserves—life (line 22 of the statutory balance sheet), policy reserves—accident and health (line 23 of the statutory balance sheet), and, if applicable, that portion of other insurance reserves—long-term business (line 26 of the statutory balance sheet) which is actuarially determined. The increases (decreases) in the said policy reserves shall be disclosed severally in the following categories—

- (a) life;
- (b) annuities;
- (c) accident and health;
- (d) the total of (a) to (c) inclusive.

35. Income before the undernoted items

This shall be the net total of lines 33 and 34.

(Reg 9(3))

Part IV

INSTRUCTIONS AFFECTING THE STATUTORY BALANCE SHEET

Class 1, Class 2, Class 3, Class A, Class B, section 24(6) composite and Special Purpose Insurer



INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory statement of income	Instructions
1. Gross premiums written	<p>This gross premiums written shall be disclosed severally in the following categories -</p> <ul style="list-style-type: none"><li>(a) direct gross premiums written;</li><li>(b) assumed gross premiums written;</li><li>(c) the total of (a) and (b) inclusive.</li></ul> <p>These shall be the sum of direct premiums written and reinsurance premiums assumed (net of return premiums in each case).</p> <p>Where reinsurance premiums are reported as a net amount (on either a written or an earned basis), that amount may, where further details are not available, be included as assumed gross premiums written.</p>
2. Reinsurance premiums ceded	<p>These shall be premiums (less return premiums) arising from any reinsurance contract under which part of the liability of the insurer under direct policies or assumed reinsurance is transferred to reinsurers.</p>
3. Net premiums written	<p>This shall be arrived at by subtracting line 2 from line 1.</p>
4. Increase (decrease) in unearned premiums	<p>This shall be the net increase (decrease) in the unearned premiums from the end of the immediately preceding financial year.</p>
5. Net premiums earned	<p>This shall be the aggregate of lines 3 and 4.</p>
6. Other insurance income	<p>This shall be the aggregate of all other income (such as commission and brokerage income) directly related to the underwriting general business.</p>
7.	<p>This shall be the total of lines 5 and 6.</p>
8. Net losses incurred and net loss expenses incurred	<p>These shall consist of net losses and net loss expenses actually paid during the</p>

## INSURANCE ACCOUNTS REGULATIONS 1980

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Line of statutory statement of income	Instructions
	relevant year plus (minus) the increase (decrease) in the reserve shown on line 17(d) of the statutory balance sheet over that of the immediately preceding financial year.
9. Commissions and brokerage	This shall be the aggregate of compensation paid or payable to agents or brokers in return for business procured by them for the insurer in the relevant year in respect of general business.
10. General and administrative	These shall be general and administrative expenses other than those described in line 11.
11. Personnel costs	These shall be the aggregate amount of salaries, wages and benefits, including taxes applicable to salaries and wages.
12. Other	These shall be underwriting expenses not included in lines 10 and 11.
13.	This shall be the total of lines 8 to 12 inclusive.
14. Underwriting profit (loss)	This shall be arrived at by subtracting line 13 from line 7 ( <i>or vice versa</i> ).
17. General business investment income - net	Investment income may be shown net of with-holding tax and of any other directly related expenses, but shall not include realized gains or losses shown on line 41 of the statutory statement of income.
18. Income before the undernoted items	This shall be the total of lines 16 and 17.
37. Other income (deductions)	These shall consist of all income (deduction) items not assigned to any of the lines above. Income taxes (line 39) and realized gains (losses) (line 41) shall not be included.

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Line of statutory statement of income	Instructions
38. Income before taxes	This shall be the total of lines 37 and - (a) in the case of an insurer engaged in general business, line 18; (b) in the case of a section 24(6) composite, line 36.
39. Income taxes	The following shall, if applicable, be disclosed severally - (a) the amount provided in respect of income taxes currently payable; (b) the amount provided in respect of deferred income taxes; (c) the total of (a) and (b).
40. Income before realized gains (losses)	This shall be the total of lines 38 and 39.
41. Realized gains (losses)	This shall include gains or losses on the sale of - (a) investments, whether quoted or unquoted; (b) investments in affiliates; (c) investments in mortgage loans on real estate; and (d) real estate, and may be net of the taxes and other expenses affecting any such sales.
42. Net income	This shall be the total of lines 40 and 41.

*[Schedule IV amended by BR 1 / 2009 reg.11 effective 31 December 2008; Schedule IV amended by BR 93 / 2010 reg.9 effective 31 December 2010; amended by 2011 : 44 Sch. 1 effective 31 December 2011; Parts I and II revoked and Part IV amended by 2015 : 50 s. 15 effective 1 January 2016]*

SCHEDULE V

(Reg. 9(4))

INSTRUCTIONS AFFECTING THE STATUTORY STATEMENT OF  
CAPITAL AND SURPLUS

Instructions

*[Note: The numerals in bold type and letters in bold type in parentheses refer to the numbers of the line of statutory statement of capital and surplus]*

1(a). Capital stock

This shall comprise—

- (a) where common shares, preferred shares and treasury shares have a par value, the par value;
- (b) where common shares, preferred shares and treasury shares have no par value, the stated value, of shares issued and called.

Where shares have only been partially called, only the called portion shall be included.

Where any capital stock has been called but not received, a corresponding receivable shall be reflected in the statutory balance sheet.

In this Schedule “stated value”, in relation to shares in an insurer, means the value attributed to the shares in the books of the insurer.

(b). Contributed surplus

This shall comprise—

- (a) any share premium, that is to say—
  - (i) where shares have a par value, the excess of any proceeds received or receivable over the par value;
  - (ii) where shares have no par value, the excess of proceeds received or receivable over the stated value,of shares issued and called.

Where shares have only been partially called, only the said excess on the called portion shall be included;

- (b) any credit resulting from the redemption or conversion of any shares at less than the amounts set up in respect of those shares as capital stock;
- (c) any other capital contribution made to the insurer by any shareholder, not being a contribution required to be set up as capital stock.

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Where any contributed surplus amount has been called but not received, a corresponding receivable shall be reflected in the statutory balance sheet.

(c). Any other fixed capital

This shall comprise any other fixed capital approved by the Authority which has not been allocated to line 1(a). or 1(b). and must take into account any amount required by the instruction in Part I of Schedule III relating to line 14 or line 37 of the statutory balance sheet to be credited to, or, as the case may be, charged against, capital—

- (i) Hybrid capital instruments
- (ii) Guarantees and others
- (iii) Total any other fixed capital - the sum of (i) and (ii).

(d). Total statutory capital

This shall be the total of lines 1(a), 1(b) and 1(c).

2(a). Statutory surplus—beginning of year

Statutory surplus—beginning of the year means the statutory surplus as at the end of the immediately preceding financial year as computed in accordance with these Regulations.

(b). Income for the year

This shall be the amount described in line 42 of the statutory statement of income.

(c). Dividends paid and payable

This shall comprise—

- (a) all dividends declared during the relevant year, being dividends payable to shareholders in the insurer during that year, whether those dividends were or were not in fact so paid before the end of the relevant year;
- (b) any provision made for the payment during the relevant year of cumulative dividends in respect of shares of any class, being dividends due to have been paid before the commencement of the relevant year.

(d). Change in unrealized appreciation (depreciation) of investments

This shall comprise any increase (decrease) occurring since the end of the immediately preceding financial year in the value of quoted investments (line 2 of the statutory balance sheet), to the extent that that increase (decrease) is not reflected in the statutory statement of income.

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(e). Change in non-admitted assets

This shall comprise any (increase) or decrease occurring since the end of the immediately preceding financial year in the value of non-admitted assets.

(f). Change in appraisal of real estate

This shall comprise any increase (or decrease) occurring since the end of the immediately preceding financial year in the value of real estate carried at appraisal value (see paragraph (B) of the requirement in Part II of Schedule II relating to line 7 of the statutory balance sheet).

(g). Change in any other statutory surplus

This shall comprise any increase (or decrease) occurring since the end of the immediately preceding financial year in the value of unquoted investments, investments in and advances to affiliates and investments in mortgage loans on real estate (lines 3, 4 and 5 respectively of the statutory balance sheet), to the extent that that increase (decrease) is not reflected in the statutory statement of income.

(h). Statutory surplus—end of year

This shall be the aggregate of lines 2(a), 2(b), 2(c), 2(d), 2(e), 2(f) and 2(g).

3. Total statutory capital and surplus

This shall be the total of lines 1(d) and 2(h).

*[Schedule V amended by BR 29/1989 effective 7th July 1989; amended by 2001:27 effective 1 October 2001; amended by 2012 : 36 s. 21 effective 1 January 2013]*

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*[Amended by:*

BR 38 / 1981  
BR 29 / 1989  
1995 : 20  
2001 : 27  
BR 41 / 2005  
BR 1 / 2009  
BR 24 / 2010  
BR 93 / 2010  
2011 : 44  
2012 : 36  
2013 : 46  
2015 : 50]