1969. No. 242 **[C]**

INSURANCE COMPANIES

REGULATIONS, DATED 11TH SEPTEMBER 1969, MADE BY THE MINISTRY OF COMMERCE UNDER SECTIONS 15, 16, 18, 21, 25, 55 AND 72 OF THE INSURANCE COMPANIES ACT (NORTHERN IRELAND) 1968.

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The Ministry of Commerce, in exercise of the powers conferred upon it by sections 15(2) and (3), 16(1) and (2), 18(1), 21(1), 25(5), 55(3) and 72(1) of the Insurance Companies Act (Northern Ireland) 1968(a) and of all other powers enabling it in that behalf, hereby makes the following Regulations:—

PART I

GENERAL

Citation

1. These Regulations may be cited as the Insurance Companies (Accounts and Forms) Regulations (Northern Ireland) 1969.

Commencement

2. These Regulations shall come into operation on 1st January 1970.

Revocation

3. The Orders, Rules and Regulations set out in Schedule 6 are hereby revoked but not so as to affect their operation in relation to the accounts of a company with respect to a financial year beginning before 1st January 1970 or to the audit of such accounts.

Interpretation

4.—(1) In these Regulations the following expressions shall have the following meanings respectively:—

"the Ministry" means the Ministry of Commerce;

"the Act" means the Insurance Companies Act (Northern Ireland) 1968;

"the Act of 1960" means the Companies Act (Northern Ireland) 1960(b);

"accounts" means the balance sheet, the profit and loss account and the revenue account;

"authorised unit trust scheme" means a unit trust scheme authorised under the Prevention of Fraud (Investments) Act (Northern Ireland) 1940(c) or under the corresponding enactment in Great Britain;

"aviation hull insurance business" means the business of effecting and carrying out contracts of insurance—

(i) upon aircraft, or upon the machinery, tackle, furniture or equipment of aircraft;

(ii) upon goods, merchandise or property of any description whatever on board of aircraft other than cargo;

(iii) upon the freight of, or any other interest in or relating to, aircraft;

(iv) against damage arising out of, or in connection with, the use of aircraft, other than damage to cargo, including third party risks; or

(v) against any other risks (not being transit risks) insurance against which is customarily undertaken in conjunction with, or as incidental to, the undertaking of such business as falls within this definition by virtue of any of the foregoing sub-paragraphs;

"British Government authority" means Her Majesty's Government in the United Kingdom, the Government of Northern Ireland, the Government of the Isle of Man or a public or local authority or nationalised industry or undertaking in the United Kingdom or the Isle of Man;

"capital redemption contracts" means contracts falling within paragraph (c) of the definition of ordinary long-term insurance business in section 72(1) of the Act;

"categories of marine, aviation and transport insurance business" are marine hull insurance business, aviation hull insurance business and transport insurance business;

(a) 1968. c. 6 (N.I.). (b) 1960. c. 22. (c) 4 & 5 Geo. 6. c. 9 (N.I.).

"claims equalisation" means the amount set aside as at the end of the financial year of a company for the purpose of its being used to prevent exceptional fluctuations in the amounts charged to revenue in subsequent financial years in respect of claims under insurance contracts;

"claims outstanding" means the amount set aside as at the end of the financial year of a company to meet claims under contracts of insurance in respect of incidents occurring before the end of that year which have not been paid (including claims the amounts of which have not been determined and claims arising out of incidents which have not been notified to the company) and to meet expenses likely to be incurred in connection with the settlement of such claims;

"company" means an insurance company to which the Act applies not being one which carries on in Northern Ireland no insurance business other than industrial assurance business;

"composite company" means a company which carries on both long-term business and general business;

"equity share capital" has the meaning assigned to it by section 148(5) of the Act of 1960;

"gross premiums" means premiums after deduction of refunds and rebates of premium but before deduction of premiums for reinsurance ceded and commission payable by the company;

"investments" means—

(i) shares or debentures, or

(ii) securities of any Government or public or local authority, or

(iii) rights or interests (described whether as units or otherwise) in any shares or debentures or in any securities of a Government or public or local authority or which may be acquired under any unit trust scheme;

"land" includes any interest or right in or over land, and "freehold land" and "leasehold land" include, in relation to land situated outside the United Kingdom, property in respect of which the company has corresponding rights and, where the company is the lessee of any land and has an option to extend the lease, the duration of the lease shall be taken to include any period for which the company may, by the exercise of the option, extend the lease;

"long-term personal accident contracts" means contracts falling within paragraph (*b*) of the definition of ordinary long-term insurance business in section 72(1) of the Act;

"marine hull insurance business" means the business of effecting and carrying out contracts of insurance—

(i) upon vessels, or upon the machinery, tackle, furniture or equipment of vessels;

(ii) upon goods, merchandise or property of any description whatever on board of vessels other than cargo;

(iii) upon the freight of, or any other interest in or relating to, vessels;

(iv) against damage arising out of, or in connection with, the use of vessels, other than damage to cargo, including third party risks;

(v) against risks incidental to the construction, repair or docking of vessels, including third party risks; or

(vi) against any other risks (not being transit risks) insurance against which is customarily undertaken in conjunction with, or as incidental to, the undertaking of such business as falls within this definition by virtue of any of the foregoing sub-paragraphs;

"the minimum solvency margin" means, in relation to any company at any time, the amount by which the value of its assets must exceed the

amount of its liabilities at that time if it is not, under section 25(1) of the Act, then to be deemed for the purposes of section 210 of the Act of 1960 to be unable to pay its debts;

"premiums" in relation to long-term business includes the consideration for the granting of an annuity;

"profit and loss account" means, in relation to a company not trading for profit, income and expenditure account;

"quoted investment" has the meaning assigned to it in the Sixth Schedule to the Act of 1960 and "unquoted investment" shall be construed accordingly;

"redeemable investments" means investments which must be redeemed or repaid at or before a particular date;

"reinsurance ceded" includes reinsurance retroceded;

"reinsurance recoveries" includes recoveries in connection with reinsurance retroceded;

"subsidiary" has the same meaning as in the Act of 1960;

"transport insurance business" means the business of effecting and carrying out contracts of insurance against transit risks (whether the transit is by sea, inland water, land or air, or partly one and partly another), including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance;

"unearned premiums" means the amount set aside as at the end of the financial year of a company out of premiums in respect of risks to be borne by the company after the end of that year under contracts of insurance entered into before the end of that year;

"unexpired risks" means the amount set aside as at the end of the financial year of a company, in addition to unearned premiums, in respect of risks to be borne by the company after the end of that year under contracts of insurance entered into before the end of that year;

"unit trust scheme" has the same meaning as in the Prevention of Fraud (Investments) Act (Northern Ireland) 1940;

"variable interest investments" means investments which are not fixed interest investments;

"year of account" means, in relation to a three-year business revenue statement, to a general business revenue account prepared in the form of such a statement or to any statement prepared under Regulation 13, 16 or 17, the financial year of the company with respect to which the statement is prepared;

"year of origin" means, in relation to any claim made against a company, the financial year of the company in which the claim is, for the purposes of Regulation 17, regarded as having originated.

(2) For the purposes of these Regulations—

(i) an investment shall be deemed to be a fixed interest investment if it is an investment on which the dividend or interest payable is fixed or subject to a fixed minimum amount;

(ii) investments shall be deemed to be guaranteed if the payment of interest or dividend thereon or the return of capital thereunder is guaranteed, and

(iii) a loan shall be deemed to fall due for repayment, and an instalment of a loan shall be deemed to fall due for payment, on the earliest date on which the lender could require repayment or, as the case may be, payment if he exercised all options and rights available to him.

(3) Without prejudice to the provisions of section 33 of the Interpretation Act (Northern Ireland) 1954(**d**), words and phrases used in these Regulations

(**d**) 1954. c. 33.