

FINAL ACCOUNTS OF INSURANCE COMPANIES

Insurance is a form of contract under which one party agrees in return of a consideration to pay an agreed amount of money to another party to compensate for a loss, damage or some uncertain event.

There are two types of insurance i.e., Life insurance and General Insurance.

Life Insurance – under this type of insurance the corporation guarantees to pay a certain sum of money to the policy holder on reaching a certain age or on his death whichever is earlier. Life insurance has an element both of protection and investment.

General Insurance – it includes all other types of insurance except life insurance. e.g. – Fire, Marine, Accident, Theft.etc. Under this type of insurance the insurer undertakes to indemnify the loss suffered by the insured on happening of a certain event in consideration for a fixed premium. **Insurance Regulatory and Development Authority (IRDA)**

In order to regulate the insurance business, the government set up in 1996, the Insurance Regulatory Authority (IRA). Now this authority is known as the Insurance Regulatory and Development Authority. In 2002, the authority came with regulations for the preparation of the financial statement of insurance companies.

Preparation of Financial Statements

Final Accounts of Life Insurance Companies

The final accounts of a life insurance company consist of (a) Revenue Account, (b) P&L A/c and (c) Balance Sheet.

Revenue Account (Form A-RA)

Revenue Account is prepared as per the provisions of IRDA regulations 2002 and complies with the requirements of Schedule A as follows:

FORM A – RA

Name of the insurer

Registration No. and Date of Registration with the IRDA

Revenue Account for the year ended 31st March, 20....

Policyholders' Account (Technical Account)

No	Particulars	Schedule	Current Year (Rs.'000)	Previous Year (Rs.'000)
	Premiums earned – net			
	(a) Premium	1		
	(b) Reinsurance ceded			
	(c) Reinsurance accepted			
	Income from investments			
	(a) Interest, dividends & rent – Gross			
	(b) Profit on sale/redemption of investments			
	(c) (Loss on sale/redemption of investments)			
	(d) Transfer/ Gain on revaluation/change in fair value*			
	Other income (to be specified) Total (A)			
	Commission			
	Operating Expenses related to insurance business			
	Provision for doubtful debts Bad debts written off Provision for tax			
	Provisions (other than taxation)			
	(a) For diminution in the value of investments (net)			
	(b) Others (to be specified) Total (B)	2		
	Benefits Paid (Net) Interim Bonuses paid			
	Change in valuation of liability in respect of life policies	3		
	(a) Gross**			
	(b) Amount ceded in Reinsurance			
	(c) Amount accepted in Reinsurance			
	Total (C)			

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Surplus (Deficit) (D)=(A)-(B)-(C)			
Appropriations			
Transfer to Shareholders' Account			
Transfer to Other Reserves (to be specified) Balance	4		
being Funds for Future Appropriations Total (D)			

Profit And Loss Account (Form A-PL)

The P&L A/c is prepared to calculate the overall profit of the life insurance business. The incomes or expenses that are not related to any particular fund are recorded in the P&L A/c.

FORM A - PL

Name of the insurer

Registration No. and Date of Registration with the IRDA

Profit and Loss Account for the year ended 31st March, 20....

Shareholders' Account (Non-technical Account)

No.	Particulars	Schedule	Current Year (Rs.'000)	Previous Year (Rs.'000)
	Amounts transferred from/to the Policyholders Account (Technical Account)			
	Income from investments			
	(a) Interest, dividends & rent – Gross			
	(b) Profit on sale/redemption of investments			
	(c) (Loss on sale/redemption of investments) Other income (to be specified)			
	Total (A)			
	Expenses other than those directly related to the insurance business			
	Bad debts written off			
	Provision for tax			
	Provisions (other than taxation)			
	(a) For diminution in the value of investments (net)			
	(b) Provision for doubtful debts			
	(c) Others (to be specified) Total			
	(B)			
	Profit (Loss) before tax			
	Provision for taxation			
	Appropriations			
	(a) Balance at the beginning of the year (b) Interim dividends paid during the year (c) Proposed final dividend			
	(d) Dividend Distribution Tax			
	(e) Transfer to Reserves/other accounts (to be specified)			
	Profit carried to the Balance Sheet			

Notes to Form A-RA and A-PL:

- (a) Premium income received from business concluded in and outside India shall be separately disclosed.
- (b) Reinsurance premiums whether on business ceded or accepted are to be brought into account gross (i.e., before deducting commissions) under the head reinsurance premiums
- (c) Claims incurred shall comprise claims paid, specific claims settlement costs wherever applicable and change in the outstanding provisions for claims at the year-end.
- (d) Items of expenses and income in excess of one percent of the total premiums (less reinsurance) or Rs.500000 whichever is higher, shall be shown as a separate line item.
- (e) Fees and expenses connected with claims shall be included in claims.
- (f) Under the sub-head "Others" shall be included items like foreign exchange gains or losses and other items.
- (g) Interest, dividends and rentals receivable in connection with an investment should be stated at gross amount, the amount of income tax deducted at source being included under "advance taxes paid and taxes deducted at source".
- (h) Income from rent shall include only the realized rent. It shall not include any notional rent.

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Balance Sheet (Form A-BS)

Balance Sheet of Life Insurance Company is prepared in vertical format. The form of Balance Sheet is as follows:

No.	Particulars	Sched ul	Current Year (Rs.'000)	Previous Year (Rs.'000)
	Sources of Funds			
	<i>Shareholders' Funds:</i>			
	Share Capital Reserves and Surplus	5		
	Credit/[Debit] Fair Value Change Account	6		
	Sub-Total Borrowings			
	<i>Policyholders' Funds:</i>			
	Credit/[Debit] Fair Value Change Account			
	Policy Liabilities	7		
	Insurance Reserves			
	Provision for Linked Liabilities			
	Sub-Total			
	Funds for Future Appropriations			
	Total			
	Application of Funds			
	Investments			
	Shareholders'			
	Policyholders'			
	Assets held to Cover	8		
	Linked Liabilities	8A		
	Loans	8B		
	Fixed Assets	9		
	Current Assets	10		
	Cash and Bank Balances			
	Advances and Other	11		
	Assets Sub- Total (A)	12		
	Current Liabilities			
	Provisions	13		
	Sub- Total (B)	14		
	Net Current Assets (C)=(A)- (B)			
	Miscellaneous			
	Expenditure (to the extent not written off or adjusted)	15		
	Debit Balance in Profit and Loss Account (Shareholders' Account)			
	Total			

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE 1 - PREMIUM

No.	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
.	First Year Premiums		
.	Renewal Premiums		
.	Single Premiums		
.	Total Premium		

**SCHEDULE 2
COMMISSION EXPENSES**

Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
Commission paid		
Direct - First Year		
Premiums Renewal		
Premiums Single		
Premiums		
Add: Commission on Re-insurance Accepted		
Less: Commission on Re-insurance Ceded		
Net Commission		

Note: The profit/commission, if any, are to be combined with the Re-insurance accepted or Re-insurance ceded figures.

**SCHEDULE 3
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
.	Employees' remuneration & welfare benefits		
.	Travel, conveyance and vehicle running expenses		
.	Training expenses		
.	Rents, rates & taxes		
.	Repairs		
.	Printing & stationery		
.	Communication expenses		
.	Legal & Professional charges		
.	Medical fees		
.	Auditors' fees, expenses etc		
.	(a) As auditor		
.	(b) As adviser or in any other capacity, in respect of:		
.	(i) Taxation matters		
.	(ii) Insurance matters		
.	(iii) Management services; and		
.	(c) In any other capacity		
.	Advertisement and publicity		
.	Interest and bank charges		
.	Others(to be specified)		
.	Depreciation		
.	Total		

SCHEDULE 4 –
BENEFITS PAID [NET]

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
.	Insurance Claims: (a) Claims by Death (b) Claims by Maturity (c) Annuities/Pension payment (d) Other benefits, specify. (Amount ceded in reinsurance): (a) Claims by Death (b) Claims by Maturity (c) Annuities/Pension payment (d) Other benefits, specify. Amount accepted in reinsurance: (a) Claims by Death (b) Claims by Maturity (c) Annuities/Pension payment (d) Other benefits, specify. Total		

Notes: (a) claims include specific claims settlement costs, wherever applicable.
 (b) Legal and other fees and expenses shall also form part of the claims cost,
 wherever applicable.

SCHEDULE 5
SHARE CAPITAL

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
.	Authorised capital Equity shares of Rs.....each Issued Capital Equity shares of Rs.....each Subscribed Capital Equity shares of Rs.....each Called-up Capital Equity shares of Rs.....each Less: Calls unpaid Add: Shares forfeited (Amount originally paid up) Less: Par value of equity shares bought back Less: Preliminary Expenses Expenses including commission or brokerage on underwriting or subscription of shares Total		

SCHEDULE 5A – PATTERN OF SHAREHOLDING [As certified by the Management]

Shareholders	Current Year		Previous Year	
	No. of Shares	% of Holdin	No. of Shares	% of Holdin
Promoters				
*Indian				
*Foreign				
Others				
Total				

SCHEDULE 6 – RESERVES AND SURPLUS

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
.	Capital Reserve Capital Redemption Reserve Share Premium Revaluation Reserve General Reserves Less: Debit balance in P&L A/c, if any Less: Amount utilized for buy back. Catastrophe Reserve Other Reserves (to be specified) Balance of Profit in P&L A/c		

Note: Additions to and deductions from the reserves shall be disclosed under each of the specified heads.

SCHEDULE 7 – BORROWINGS

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Debentures/Bonds		
2.	Banks		
3.	Financial Institutions		
4.	Others (to be specified)		
	Total		

SCHEDULE 8 – INVESTMENTS

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
	Long –term Investments		
1.	Government securities and Government Guaranteed Bonds including treasury bills		
2.	Other approved securities		

4.	Maturity-wise Classification		
	(a) Short Term		
	(b) Long Term		
	Total		

SCHEDULE 10– FIXED ASSETS

Particulars	Cost/Gross Block				Depreciation				Net Block	
	Opening	Additions	Deductions	Closing	Up to Last Year	For the Year	On Sales/Adjustmen	To Date	As at year end	Previous Year
Goodwill										
Intangibles (specify)										
Land-Freehold										
Leasehold Property										
Buildings										
Furniture & Fittings										
Information Technology										
Equipment										
Vehicles										
Office Equipment										
Others (Specify nature)										
Total										
Work in progress										
Grand Total										
Previous Year										

SCHEDULE 11– CASH AND BANK BALANCES

No.	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Cash (including cheques, drafts and stamps)		
2.	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months of the date of Balance Sheet)		
	(bb) Others		
	(b) Current Accounts		
	(c) Others (to be specified)		
	Money at call and short notice		
	(a) With banks		
	(b) With other institutions		
	Others (to be specified)		
	Total		
3.	Balances with non-scheduled banks in 2 and 3 above		
4.	Cash and Bank Balances		
	1. In India		
	2. Outside India		
	Total		

SCHEDULE 12– ADVANCES AND OTHER ASSETS

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
	Advances		
1.	Reserve deposits with ceding companies		
2.	Application money for investments		
3.	Prepayments		
4.	Advances to Directors/Officers		
5.	Advance tax paid and taxes deducted at source (Net provision for taxation)		
6.	Others (to be specified)		
	Total (A)		
	Other Assets		
	Income accrued on investments		
1.	Outstanding Premiums		
2.	Agents' balances		
3.	Foreign Agencies Balances		
4.	Due from other entities carrying on insurance business		
5.	(including reinsurers)		
	Due from subsidiaries/holding company		
6.	Deposit with Reserve Bank of India [Pursuant to section 7 of		
7.	Insurance Act, 1938]		
	Others (to be specified)		
8.	Total (B)		
	Total (A+B)		

SCHEDULE 13– CURRENT LIABILITIES

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Agents' balances		
2.	Balances due to other insurance companies		
3.	Deposits held on re-insurance ceded		
4.	Premiums received in advance		
5.	Unallocated premium		
6.	Sundry creditors		
7.	Due to subsidiaries/holding company		
8.	Claims outstanding		
9.	Annuities due		
10.	Due to Officers/Directors		
11.	Others (to be specified)		
	Total		

SCHEDULE 14– PROVISIONS

No	Particulars	Current Year	Previous Year
.			

1.	For taxation (less payments and taxes deducted at source)		
2.	For proposed dividends		
3.	For dividend distribution tax		
4.	Others (to be specified)		
	Total		

SCHEDULE 15– MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

No	Particulars	Current Year (Rs.'000)	Previous Year
1.	Discount allowed on issue of shares/debentures		
2.	Others (to be specified)		
	Total		

Types of Life Insurance Policies

1. Whole life policy - In this type of policy, the sum assured becomes payable to the beneficiary only on the death of the insured. The insured has to pay the premium throughout his life.
2. Endowment policy - It is a policy which runs for a fixed period or up to a particular age to the insured.
3. With profit policy - In this policy, the policy holder to receive , in addition to the sum assured , a share in the profit made by the Life insurance Corporation.
4. Without profit policy - In this policy, the holder gets only the stated sum on the maturity of the policy.

Explanation of items in the final accounts of Life Insurance Company

Claims - The amount paid or payable by the insurance company to the insured for the losses occurs or the particular event happens is called claims. A claim is usually the expenditure of an insurance company.

Annuity - Annuity is an annual payment which a life insurance company guarantees to pay for a lumpsum money received in the beginning.

Surrender value of a policy - Surrender value is the amount paid by the insurance company to the insured for surrendering all claims of the policy to the company.. Usually this amount will get after the payment of two annual premiums.

Bonus in Reduction of Premium - Here, instead of paying bonus in cash to the policy holders, the insurance company deducts the amount from the premium payable to it. The amount of bonus so adjusted in the premium amount is called bonus in reduction of premium.

Consideration for Annuities Granted – Any lumpsum payment received by the insurance company in lieu of granting annuity is called consideration for annuities granted.

Reinsurance - When an insurance company undertakes a big policies in large amount, they reduce their risks by re-insuring it with other insurance companies. Such a process is called reinsurance.

Double insurance - If the same subject matter is insured with more than one insurance company, it is known as Double insurance.

Life assurance fund - It is an accumulated reserve fund which is created from excess of income over expenditure in every year.

Reversionary bonus - Reversionary bonus is a bonus which is paid by the insurance company along with the maturity value of the policy.

Commission on reinsurance ceded and Commission on reinsurance Accepted

Insurance companies earn commission from other insurance companies for giving them business under reinsurance contract. This commission is called **commission on reinsurance ceded**. If some other insurance companies give insurance to us, commission paid on such reinsurance is called **commission on reinsurance accepted**.

Determination of Profit in Life Insurance Business

A life policy is generally taken for a number of years. The premium received for such long term contract cannot be treated as income for ascertaining the profits for that year. The future premium may or may not be received depends on the existence of the insured. Thus on a particular date a liability of the corporation is to be calculated as the premium to be received in future will generally be less than the amount payable as claims. There is a gap between claims which are expected to arise and premium which are expected to be received. The gap is known as Net liability. It becomes desirable to create a reserve equal to its net liability in order to ascertain the profit. The Life insurance business made the valuation of net liability every year in order to ascertain the profit. This is done by a person called Actuary. The process by which net liability is ascertained by this person is known as actuarial valuation. The net liability is compared with life assurance fund on a particular date in order to ascertain the surplus or deficiency. This comparison is made by preparing a Valuation Balance sheet, which is given as follows: -

Valuation Balance Sheet

Liabilities	Amount	Assets	Amount
Net Liability as per Actuary's valuation		Life Assurance Fund	
Surplus (Bal. Fig)		Deficit (Bal. Fig)	

Only surplus and not deficiency will be shown in the Balance sheet. With profit policy holders have a right to participate in the profits of life insurance business to the extent of 95% of true profit. The balance 5% may be utilized for such purpose as determined by the central government. For calculation of true profit, surplus as disclosed by the valuation Balance sheet must be adjusted.

Surplus as per Valuation Balance Sheet
Less: Actuarial expenses
Dividends payable to shareholders

Add: Interim bonus paid

Surplus

95% of net profit is payable as bonus to policyholders. While paying the above bonus, interim bonus paid already has to be deducted

Final Accounts of General Insurance Companies

General insurance companies may be doing more than one business e.g., fire, marine etc.

Fire insurance - In this insurance, the company undertakes to compensate loss caused by fire in consideration of premium received.

Marine insurance - In this insurance, in consideration of premium received, the company undertakes to compensate loss caused by marine risks as per terms of insurance.

The final accounts of a general insurance company consist of (a) Revenue Account, (b) P&L A/c and (c) Balance Sheet.

Revenue Account (Form B-RA)

General insurance company may be doing more than one business like fire, marine, accidental etc. For each type of business a separate Revenue Account is to be prepared in the prescribed form B-RA. The form of Revenue Account is given below:

FORM B – RA

Name of the insurer

Registration No. and Date of Registration with the IRDA

Revenue Account for the year ended 31st March, 20.... Policyholders' Account
(Technical Account)

No	Particulars	Schedule	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Premiums Earned (Net)	1		
2.	Others (to be specified)			
3.	Change in Provisions for unexpired risk			
4.	Interest, Dividend & Rent - Gross			
	Total (A)			
1.	Claims Incurred			
2.	Commission			
3.	Operating Expenses related to insurance business	2		
4.	Others (to be specified)	3		
	Total (B)	4		
	Operating Profit/ (Loss) from Fire/ Marine/ Miscellaneous business (C)=(A-B)			
	Appropriations			
	Transfer to Shareholders' Account			
	Transfer to Catastrophe Reserve			
	Transfer to Other Reserves (to be specified)			
	Total (C)			

Profit And Loss Account (Form B-PL)

The P&L A/c is prepared to calculate the overall profit of the general insurance business. Operating profits (or losses) of fire, marine and miscellaneous insurance are taken in the P&L A/c. Income from investments, profit or loss on sale of investments, bad debts, provision for doubtful debts etc. are taken in the P&L A/c.

FORM B-PL

Name of the insurer

Registration No. and Date of Registration with the IRDA

Profit and Loss Account for the year ended 31st March, 20....
Shareholders' Account (Non-technical Account)

No	Particulars	Schedule	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Operating Profit/ (Loss) (a) Fire Insurance			
	(b) Marine Insurance			
	(c) Miscellaneous Insurance			
2.	Income from investments (d) Interest, dividends & rent – Gross (e) Profit on sale/redemption of investments Less: Loss on sale of investments			
3.	Other income (to be specified) Total (A)			
4.	Provisions (other than taxation) (a) For diminution in the value of investments (net)			
5.	(b) For Doubtful Debts (c) Others (to be specified) Other Expenses (a) Expenses other than those directly related to the insurance business (b) Bad debts written off (c) Others (to be specified)			
	Total (B) Profit before tax Provision for taxation Profit after tax			
	Appropriations (f) Interim dividends paid during the year (g) Proposed final dividend (h) Dividend Distribution Tax (i) Transfer to Reserves or other accounts (to be specified)			
	Balance of Profit/Loss brought forward fro last year Balance carried forward to the Balance Sheet			

Balance sheet
FORM B – BS

Balance Sheet of Life Insurance Company is prepared in vertical format. The form of Balance Sheet is as follows:

Name of the Insurer

Reg.No and date of registration with IRDA

Balance Sheet as at 31st March, 20....

No	Particulars	Schedule	Current Year (Rs.'000)	Previous Year (Rs.'000)
	Sources of Funds			
	<i>Shareholders' Funds:</i>			
	Share Capital			
	Reserves and Surplus	5		
	Fair Value Change Account	6		
	Borrowings			
	Total			
	Application of Funds	7		
	Investments			
	Loans			
	Fixed Assets			
	Current Assets	8		
	Cash and Bank Balances	9		
	Advances and Other Assets	10		
	Sub-Total (A)			
	Current Liabilities	11		
	Provisions	12		
	Sub-Total (B)			
	Net Current Assets (C)=(A)-(B)	13		
	Miscellaneous Expenditure (to the extent not written off or adjusted)	14		
	Debit Balance in Profit and Loss Account			
	Total	15		

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS SCHEDULE 1 – PREMIUM
EARNED [NET]

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
	Premium for direct business written		
	Add: Premium on reinsurance accepted		
	Less: premium on reinsurance ceded Net Premium		
	Total Premium Earned (Net)		

Note: Reinsurance premiums whether on business cede or accepted are to be bought into account, before deducting commission under the head of reinsurance premiums.

SCHEDULE 2 – CLAIMS INCURRED [NET]

Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
Claims paid Direct Add: Reinsurance accepted Less: Reinsurance ceded Net Claims paid Add: Claims outstanding at the end of the year Less: Claims outstanding at the beginning Total Claims Incurred		

SCHEDULE 3 – COMMISSION

Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
Commission paid Direct Add: Commission on Re-insurance Accepted Less: Commission on Re-insurance Ceded Net Commission		

Note: The profit/commission, if any, are to be combined with the Re-insurance accepted or Re-insurance ceded figures.

SCHEDULE 4 – OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

No	Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
1.	Employees' remuneration & welfare benefits		
2.	Managerial remuneration		
3.	Travel, conveyance and vehicle running expenses		
4.	Rents, rates & taxes		
5.	Repairs		
6.	Printing & stationery		
7.	Communication expenses		
8.	Legal & Professional charges		
9.	Medical fees		
10.	Auditors' fees, expenses etc		
	(a) As auditor		
	(b) As adviser or in any other capacity, in respect of: (j)		
	Taxation matters		
	(ii) Insurance matters		
	(iii) Management services; and		
	(c) In any other capacity		
	Advertisement and publicity		
	Interest & bank charges		
	Others(to be specified)		
	Depreciation		
	Total		

Note: Items of expenses and income in excess of one percent of the total premiums (less reinsurance) or Rs.500000 whichever is higher, shall be shown as a separate line item.

**SCHEDULE 5 – SHARE
CAPITAL**

SCHEDULE 5 – SHARE CAPITAL

No.	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Authorised capital Equity shares of Rs.....each		
2.	Issued Capital Equity shares of Rs.....each		
3.	Subscribed Capital Equity shares of Rs.....each		
4.	Called-up Capital Equity shares of Rs.....each Less: Calls unpaid Add: Equity Shares forfeited (Amount originally paid up) Less: Par value of equity shares bought back Less: Preliminary Expenses Expenses including commission or brokerage on underwriting or subscription of shares Total		

Notes:

- Particulars of the different classes of capital should be separately stated.
- The amount capitalized on account of issue of bonus shares should be disclosed.
- In case any part of the capital is held by a holding company, the same should be separately disclosed.

**SCHEDULE 5A – PATTERN OF
SHAREHOLDING [As certified by the
Management]**

Shareholders	Current Year		Previous Year	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters				
*Indian				
*Foreign				
Others				
Total				

SCHEDULE 6 – RESERVES AND SURPLUS

No.	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Capital Reserve		
2.	Capital Redemption Reserve		
3.	Securities Premium		
4.	General Reserves Less: Debit balance in P&L A/c, if any Less: Amount utilized for buy back. Catastrophe Reserve		
5.	Other Reserves (to be specified)		
6.	Balance of Profit in P&L A/c		
7.	Total		

Note: Additions to and deductions from the reserves shall be disclosed under each of the specified heads.

SCHEDULE 7 – BORROWINGS

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Debentures/Bonds		
2.	Banks		
3.	Financial Institutions		
4.	Others (to be specified)		
	Total		

SCHEDULE 8 – INVESTMENTS

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
	Long –term Investments		
1.	Government securities and Government Guaranteed Bonds including treasury bills		
2.	Other approved securities		
3.	Other investments		
	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds		
	(c) Derivative Instruments		
	(d) Debentures/Bonds		
	(e) Other securities (to be specified) (f) Subsidiaries		
	(g) Investment Properties – Real Estate		
	Investments in Infrastructure and Social sector		
	Other than Approved Investments		
	Short –term Investments		
	Government securities and Government Guaranteed Bonds including treasury bills		
4.	Other approved securities		
5.	Other investments		
1.	(a) Shares		
	(aa) Equity		
2.	(bb) Preference		
3.	(b) Mutual Funds		
	(c) Derivative Instruments		
	(d) Debentures/Bonds		
	(e) Other securities (to be specified) (f) Subsidiaries		
	(g) Investment Properties – Real Estate		
	Investments in Infrastructure and Social sector		
	Other than Approved Investments		
	Total		

SCHEDULE 9– LOANS

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Security-wise Classification Secured (a) On mortgage of property (aa) In India (bb) Outside India (b) On Shares, Bonds, Govt. Securities, etc. (c) Others (to be specified) Unsecured <p align="right">Total</p> Borrower-wise Classification		

SCHEDULE 10– FIXED ASSETS

Particulars	Cost/Gross Block				Depreciation				Net Block	
	Opening	Additions	Deductions	Closing	Up to Last Year	For the Year	On Sales/ Adjustmen tc	To Date	As at year end	Previous Year
Goodwill										
Intangibles (specify)										
Land-Freehold										
Leasehold Property										
Buildings										
Furniture & Fittings										
Information Technology										
Equipment										
Vehicles										
Office Equipment										
Others (Specify nature)										
Total										
Work in progress										
Grand Total										
Previous Year										

SCHEDULE 11– CASH AND BANK BALANCES

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Cash (including cheques, drafts and stamps) Bank		
2.	Balances (a) Deposit Accounts (aa) Short-term (due within 12 months) (bb) Others (b) Current Accounts (c) Others (to be specified)		
3.	Money at call and short notice (a) With banks (b) With other institutions Others (to be specified) Total		
4.	Balances with non-scheduled banks in 2 and 3 above		

SCHEDULE 12– ADVANCES AND OTHER ASSETS

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
	Advances		
1.	Reserve deposits with ceding companies		
2.	Application money for investments		
3.	Prepayments		
4.	Advances to Directors/Officers		
5.	Advance tax paid and taxes deducted at source (Net provision for taxation)		
6.	Others (to be specified)		
	Total (A)		
	Other Assets		
	Income accrued on investments		
1.	Outstanding Premiums		
2.	Agents' balances		
3.	Foreign Agencies Balances		
4.	Due from other entities carrying on insurance business		
5.	(including reinsurers)		
	Due from subsidiaries/holding company		
6.	Deposit with Reserve Bank of India [Pursuant to section 7 of		
7.	Insurance Act, 1938]		
	Others (to be specified)		
8.	Total (B)		
	Total (A+B)		

SCHEDULE 13– CURRENT LIABILITIES

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Agents' balances		
2.	Balances due to other insurance companies		
3.	Deposits held on re-insurance ceded		
4.	Premiums received in advance		
5.	Unallocated premium		
6.	Sundry creditors		
7.	Due to subsidiaries/holding company		
8.	Claims outstanding		
9.	Due to Officers/Directors		
10.	Others (to be specified)		

SCHEDULE 14–

PROVISIONS

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Reserve for Unexpired Risk		
2.	For taxation (less payments and taxes deducted at source)		
3.	For proposed dividends		
4.	For dividend distribution tax		
5.	Others (to be specified)		
	Total		

SCHEDULE 15– MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

No	Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
1.	Discount allowed on issue of shares/debentures		
2.	Others (to be specified)		
	Total		

Reserve for Unexpired Risk

Policies in general insurance are only for one year. These can be taken by the insured at any time during the year.. premium on such policies is always paid in advance. There may be such policies which are issued during the year but risks covered remain unexpired at the accounting year. Hence a reserve for unexpired risk is made at 50% of the net premium in case of fire insurance and 100%of the net premium in marine insurance is made. Opening balance for reserve for unexpired risk is added to the premium and closing balance of reserve for unexpired risk is deducted from the premium. The net premium should be shown in revenue account. The closing balance of reserve for unexpired risk should be shown in the balance sheet under the head 'provisions'. At present reserve for unexpired risk will be created as follows:

- a. 50% of net premium for fire insurance, marine cargo business and miscellaneous insurances.
 - b. 100% of net premium for marine hull business.
- In addition to the above reserve, a company can maintain more reserves. Then it is called Additional Reserve.