



*Draft – for consultation as part of CP18/16, available at:  
www.bankofengland.co.uk/pru/Pages/publications/cp/2016/cp1816.aspx*

## FSC 2 – Return

<p style="font-size: 24px; margin: 0;">FSC2 Return</p> <p style="margin: 10px 0 0 0;">Periodic Investigation: Long Term and General Insurance Business</p>
<b>FORM FSC 2</b>

Register  
Number

Period ended 31  
December

Name of  
Society (as  
registered)

Registered  
Office

Post Code:
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The information provided in this FSC2 Return (Periodic Investigation: Long Term and General Insurance Business), and the Actuary's certificate included herein are the form and contents of an abstract under Friendly Society - Reporting 2 in the PRA Rulebook for use by a non-directive friendly society (other than a flat rate benefits business friendly society) in respect of its insurance business.

The Return must be signed by the chief executive, the secretary and one committee member of the society (or two members of the committee if the offices of chief executive and secretary are held by the same person).

One signed copy of this Return must be submitted as soon as possible after 31 December and not later than 30 June:-

Regulatory Data Group,  
Statistics and Regulatory Data  
Division (HO5 B-D), Bank of  
England, Threadneedle  
Street, London, EC2R 8AH

**FSC 2 – FORM 9**

**Returns under the Friendly Societies Prudential Rules**  
Statement of solvency

Name of Society

Period ended 31  
December

	Reg No	Units £/£000
<input style="width: 60%; height: 20px;" type="text"/>	<input style="width: 60%; height: 20px;" type="text"/>	<input style="width: 60%; height: 20px;" type="text"/>

		1 As at the end of the period	2 As at the end of the previous period
Total available assets	10	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
<b>GENERAL INSURANCE BUSINESS</b>			
Other than long term insurance business assets allocated towards general insurance business required minimum margin	11	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Implicit items valued in accordance with a waiver under section 148 of the Act	11a	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Required minimum margin for general insurance business	12	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Excess (deficiency) of available assets over the required minimum margin (11+11a – 12)	13	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
<b>LONG TERM INSURANCE BUSINESS</b>			
Long term insurance business admissible assets	21	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Other than long term insurance business assets allocated towards long term insurance business required minimum margin	22	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Total mathematical reserves (after distribution of surplus)	23	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Other insurance and non-insurance liabilities	24	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Available assets for long term insurance business required minimum margin (21 + 22 – 23 – 24)	25	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
<b>Implicit items valued in accordance with a waiver under section 148 of the Act</b>			
Future profits	31	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Zillmerising	32	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Hidden reserves	33	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Total of available assets and implicit items (25 + 31 + 32 + 33)	34	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
<b>Required minimum margin</b>			
Required minimum margin for long term insurance business	41	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Explicit required minimum margin (1/6 x Line 41, or minimum guarantee fund if greater)	42	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Excess (deficiency) of available assets over explicit required minimum Margin (25 – 42)	43	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Excess (deficiency) of available assets and implicit items over the required minimum margin (34 – 41)	44	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
<b>CONTINGENT LIABILITIES</b>			
Quantifiable contingent liabilities in respect of other than long term		<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
		<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>

insurance business	51
Quantifiable contingent liabilities in respect of long term insurance business	52

# FSC 2 – FORM 9A

## Returns under the Friendly Societies Prudential Rules

Descriptive Section

Name of Society:

Reg No
<input type="text"/>

1. The date to which the investigation relates is

2. The date to which the latest previous investigation relates is

3. A synopsis of the report by the appropriate actuary on his investigation into the financial condition of the society in respect of its insurance business, including

- a statement of the assets and liabilities of the society;
- information and comments on the
  - changes in membership of the society,
  - benefit entitlements that have been valued,
  - mortality, sickness and claims experience of the society,
  - investment returns achieved by the society,
  - suitability of the assets held by the society,
  - provisions made for future expenses,
  - reserves set aside for activities of the society not covered by the valuation,
  - scope for enhancement of benefits; and
- the actuary's assessment of the financial viability of the society and, where the assessment indicates that changes are necessary or desirable, the options open to the *committee* along with the advantages and disadvantages of each course of action and the likely consequences of taking no action.

**FSC 2 – FORM 9B**

**Returns under the Friendly Societies Prudential Rules**

Actuary's Certificate

Name of Society

Period ended 31  
December

Reg No	
<input type="text"/>	<input type="text"/>

I certify that:

- (a) (i) in my opinion, proper records have been kept by the society adequate for the purpose of the valuation of the liabilities of its insurance business;
- (ii) the contents of the synopsis in Form 9A correctly reflect the results of my investigation into the financial condition of the society in respect of its insurance business;
- (iii) no matters, except as described in Form 9A, have come to my attention during the course of my investigation which in my opinion prejudice the financial viability of the society or the reasonable expectations of its members;
- (iv) I have had regard to the following standards and guidance adopted or issued by the Board of Actuarial Standards and, in so far as they are relevant to my investigation for the purposes of this certificate, I have complied with them

- (b) The amount of the required minimum margin of solvency applicable to the society's insurance business immediately following the end of the period of investigation (including any amounts resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of the insurance business) is £.....
- (c) I have the following additional comments (use extra pages).

Signature  
Name:  
Address  
:

Date

Qualification:

**FSC 2 – FORM 9C**

**Return under the Friendly Societies Prudential Rules**

Signatures

**Name of Society**

Reg No	

Period ended 31  
December

**Signatures to the FSC2 Return**

We certify that the information in this Return complies with Friendly Society - Reporting in the PRA Rulebook

We confirm also that the society consents to a copy of this Return being placed on the public file of the society.

**Chief Executive**

Date

Name (Block Capitals)

**Secretary**

Date

Name (Block Capitals)

**Member of Committee**

Date

Name (Block Capitals)

Additional Committee member if the offices of the Chief Executive and Secretary are held by the same person.

Date

Name (Block Capitals)

given by the appropriate actuary pursuant to rule  
Friendly Society - Reporting(2.3)

**Period ended 31 December**

.....

*The appropriate actuary is requested to complete the certificate in section A, or if unable to do so, the statement in section B. The chief executive of the society is requested to sign section C.*

**SECTION A**

CERTIFICATE

I, .....<sup>(1)</sup>, CERTIFY that in my opinion there has been no material change in the financial condition of .....<sup>(2)</sup> in respect of its insurance business since the society sent the last abstract of the appropriate actuary's report (on the society's financial condition as at .....<sup>(3)</sup>) to the appropriate regulator under rule Friendly Society - Reporting(2.3) which would be likely to result in the value of the liabilities (including any required margin of solvency) exceeding the value of the assets should a full investigation be undertaken as at .....<sup>(4)</sup>. I am unaware of any circumstances arising between the year end to which the certificate relates and the date on which it is signed which would cause the society to fail to meet its minimum solvency requirement<sup>(5)</sup> / the society's liabilities to exceed its assets<sup>(5)</sup>.

Signed ..... Date  
..... Fellow of the ..... of Actuaries

**SECTION B**

STATEMENT

I, .....<sup>(1)</sup>, am unable to give a certificate in the form set out in section A above in respect of .....<sup>(2)</sup>.

Signed ..... Date  
..... Fellow of the ..... of Actuaries

**SECTION C**

Signed ..... (Chief Executive) Date .....

**Notes to sections A, B and C**

- (1) insert full name of appropriate actuary
- (2) insert name of friendly society
- (3) insert effective date of last actuarial abstract
- (4) insert date of year end to which the certificate relates
- (5) delete as appropriate – on the basis of rule 4.1

**The form should be sent to  
Regulatory Data Group, Statistics and Regulatory Data Division (HO5 B-D), Bank of  
England, Threadneedle Street, London, EC2R 8AH**