

**SECOND SUPPLEMENT TO THE GIBRALTAR  
GAZETTE**

**No. 2,968 of 20th March, 1997.**

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LEGAL NOTICE NO. 28 OF 1997.

**INSURANCE COMPANIES ORDINANCE 1987**

**INSURANCE COMPANIES (SOLVENCY MARGINS AND  
GUARANTEE FUNDS)(AMENDMENT) REGULATIONS 1997**

In exercise of the powers conferred on it by section 118 of the Insurance Companies Ordinance 1987, and of all other enabling powers, the Government has made the following regulations -

**Title.**

1. (1) These regulations may be cited as the Insurance Companies (Solvency Margins and Guarantee Funds) (Amendment) Regulations 1997.

(2) In these regulations “the 1996 regulations” means the Insurance Companies (Solvency Margins and Guarantee Funds) Regulations 1996.

**Explicit items that may be taken into account.**

2. For sub-regulation (2)(e) of regulation 4 of the 1996 regulations, substitute —

“(e) Notwithstanding regulation 18(2) of the Insurance Companies (Valuation of Assets and Liabilities) Regulations 1996, where an insurer has issued cumulative preference shares, liabilities in respect of such shares may be left out of account, in aggregate up to 50 per centum of the required margin of solvency save that liabilities in respect of shares which are redeemable for the purposes of section 46 of the Companies Ordinance may be left out of account, in aggregate only up to 25 per centum of the required margin of solvency.”.

**Amendment to Schedule 1.**

3. Paragraph 1 of Schedule 1 to the 1996 regulations is amended as follows -

- (a) after the definition of “gross premiums”, insert —

“ “incepted” refers to the time when the liability to risk of a company under a contract of insurance commenced and, for this purpose, a contract providing continuous cover shall be deemed to commence on each anniversary date of the contract;”.

- (b) for the definition of “receivable”, substitute —

“ “receivable” in relation to an insurance company, a financial year and a premium means due to the company in respect of contracts of insurance incepted during that financial year, whether or not the premium is received during that financial year;”.

- (c) In sub-paragraph (2) for the reference “paragraph 8”, substitute —

“paragraph 4”.

**Amendment to Schedule 2.**

4. In paragraph 5 of Schedule 2 to the 1996 regulations for the reference “paragraph 4 of Schedule 1”, substitute —

“paragraph 5 of Schedule 1”.

Dated this 20th day of March 1997.

P. C. MONTEGRIFFO,  
Minister for Trade & Industry.

