

## PART 1 - THE DEFINITIONS

### DEFINITIONS RELATING TO LIFE INSURANCE POLICIES

1.1 Separate annual statements are prepared for male lives insured and for female lives insured, in respect of Ordinary Insurances.

1.2 Except where otherwise provided, annual statements are to be lodged by companies for the following types of life insurance policy recorded on the policy register or other record of the company for the country in respect of which the return is being prepared.

- a) Medical Cases - Whole Life and Endowment Insurance
- b) Medical Cases - Term Insurance
- c) Non-Medical Cases - Whole Life and Endowment Insurance
- d) Non-Medical Cases - Term Insurance.

### Definitions of the Classes of Life Insurance Policies

1.3 a) **Medical Cases** are policies which have been issued after consideration of a medical report upon the life to be insured, in addition to the personal statement in the proposal for insurance.

b) **Non-Medical Cases** are policies which have been issued after consideration of the personal statement in the proposal for insurance, without obtaining a medical report on the life to be insured.

c) **Whole Life and Endowment Insurance** are defined as follows:

Whole Life Insurance - an insurance policy for the whole duration of life which is payable on the death of the life insured.

Endowment Insurance - an insurance policy which is payable on the survival of the life insured to the maturity date stated in the policy or on the death of the life insured prior to that date.

d) **Term Insurance** (or Temporary Insurance) is a policy which provides death cover for one or more years on a single life insured, ie, the insurance is payable only if death occurs within the period stated in the policy.

### Notes on the Definitions

1.4 The following notes are to be read in conjunction with the definitions of the classes of policies -

- a) The definitions include policies which provide for a constant sum insured or for some alteration of the sum insured during the duration of the contract whilst premiums are being paid, as well as policies which provide for the cessation of premium payments after a period of years stated in the policy or for payment of the sum insured by instalments.
- b) A policy is included as a whole life or endowment insurance notwithstanding any riders or conditions attaching to the policy which provide additional benefits in particular circumstances.

### Policies which are to be Excluded

1.5 The following types of policies are to be excluded from the annual statements -

- a) policies issued on the basis of a rated up age, a contingent debt or an extra premium;
- b) joint life policies;
- c) reinsurances received from other companies; and
- d) group policies covering a number of lives.

### Altered Policies

1.6 A policy which has been included in a previous statement of policies in force (Form A) is excluded from future annual statements as from the date of alteration if the policy is altered to -

- a) a type of policy which is not included in the definitions in paragraph 1.3; or
- b) a type of policy which is referred to in paragraph 1.5 above.

1.7 If a policy which has been excluded previously from the annual statement of policies in force (Form A) is altered and as a result qualifies for inclusion, or if a policy previously included in one section of Form A is altered and should be included in future in the other section, the policy is included in future annual statements as from the date of the alteration to the policy.

1.8 The year in which the risk commenced under altered policy is the original year of risk commenced and is not varied as a result of the alteration.

**DEFINITIONS RELATING TO ACCIDENT RIDERS****Accident/Accidently**

1.9 Defined to mean an event which results in bodily injury or death, which happens by chance or fortuitously without intention or design and which is unexpected, unusual and unforeseen.

**Permanent Total Disability**

1.10 Defined to mean a condition under which the life insured is disabled as a result of bodily injury to the extent that the life insured is wholly prevented from engaging in any business, work or occupation, or from giving attention to any business whatsoever, for wages or profits for a period of at least six months.

1.11 Examples of Permanent Total Disability are -

- a) Total and irrecoverable loss of all sight in both eyes;
- b) Loss of both hands at or above the wrists; and
- c) Loss of both feet by amputation at or above the ankles.

**Accident Claims which are to be Excluded**

1.12 Examples of the types of claims or events resulting in a claim for accident benefits which may be excluded from the annual statements are -

- i) war, declared or undeclared, civil war or any warlike operation;
- ii) self-destruction or any attempt thereat while sane or insane;
- iii) violation or attempted violation of the law or resistance to arrest;
- iv) military or naval service in time of declared or undeclared war or while under orders from warlike operations or restoration of public order;
- v) making an arrest as an officer of the law;
- vi) participation in any brawl;
- vii) racing on horse or wheels;
- viii) participation in scuba diving;

- ix) accident occurring while or because the insured is affected by alcohol or any drug;
- x) poison, gas or fumes (voluntarily or involuntarily taken);
- xi) hernia, ptomaires or bacterial infection (except pyogenic infection which shall occur with and through an accidental cut or wound);
- xii) entering, operating or servicing, ascending or descending from or with any aerial device or conveyance except while the insured is in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route; and
- xiii) riot and civil commotion, strikes or terrorist activities.

1.13 Actual exclusions will depend on the law and practice in each participating country.

**PART 2 - PREPARATION OF ANNUAL RETURNS RELATING TO  
POLICIES IN FORCE AND DEATHS FROM ALL CAUSES  
FORM A - NUMBERS OF POLICIES IN FORCE**

2.1 An example of Form A is attached. Separate Forms A are to be supplied for policies on male and female lives.

2.2 Form A should be completed by each company for each of the classes of policy stated in paragraph 1.1 as soon as possible after the end of each financial year of the company and forwarded with Form B(1) or B(2) to the Insurance Commissioner for the country in which the company is operating. The methods to be used for completing Form A are set out in the following paragraphs.

**Policies to be Included**

2.3 In accordance with the classifications in paragraph 1.1, a separate Form A is completed for each of the four classes of policy stated in that paragraph ie -

- a) Medical Cases - Whole Life and Endowment Insurance
- b) Medical Cases - Term Insurance
- c) Non-Medical Cases - Whole Life and Endowment Insurance
- d) Non-Medical Cases - Term Insurance.

2.4 The policies which are included in each Form A are policies in force at the date as at which the Form A is prepared, being policies that are on the register or other record maintained by the company in the country to which the Form A applies.

**Date as at which Form A is completed**

2.5 Form A is completed as at the end of each financial year of a company. For most companies this date is 31 December but other companies whose financial year ends on another date (eg 31 March) will prepare their Form A returns as at that other date.

**Age or Year of Birth**

2.6 No restriction is placed on the method used by a company to calculate the age applicable to each existing policy at the date as at which the Form A is prepared. For the purpose of compiling Form A, age at the date as at which Form A is prepared may be taken as age next birthday at that date, age nearest birthday at that date or age last birthday at that date. Alternatively, the company can record policies in Form A according to calendar year of birth or office year of birth.

2.7 A company shall show at the foot of Form A a detailed statement of the method used to determine the age or year of birth applicable to policies entered in Form A. If more than one method is used, a separate Form A is to be supplied for each method showing the details of the policies for which the method is used.

**Curtate Duration or Year of Commencement**

2.8 The curtate duration of a policy is obtained by subtracting the date on which the risk commenced under the policy from the date as at which the Form is prepared and ignoring the portion of a year in the answer. A company can show the subdivision of existing policies in Form A according to a year of risk commenced if it so desires eg policy year, or the financial year or calendar year in which risk commenced.

2.9 Policies which have a curtate duration of 5 years or more, or a corresponding year of risk commenced, are included in the righthand column of Form A.

2.10 A company shall show at the foot of Form A a detailed statement of the method used to determine the curtate duration of year of risk commenced. If more than one method is used, a separate Form A is supplied for each method showing the details of the policies for which the method is used.

**Totals**

2.11 The numbers of policies in each column of Form A are added up and the total of each column is shown on a Total line below the last entries in the successive column.

**Footnote**

2.12 Do not forget to show at the foot of each Form A a statement of the methods used to determine -

Age or Year of Birth  
Curtate Duration or Year of Risk Commenced.

## FORM B - NUMBERS OF POLICIES TERMINATED BY DEATH

### Preparation of Form B(1)

2.13 A company which does not have a very large number of death claims notified in a year can supply details of policies notified as terminated by death by completing Form B(1) each year. This Form shows particulars of each policy notified in the year as a death claim. Companies supplying this data by computer disc are asked to prepare the data in the manner of Form B(2).

### Preparation of Form B(2)

2.14 A company which has a larger number of death claims notified in a year should supply details of policies notified as terminated by death by completing Form B(2) each year. This Form shows particulars of policies notified in the year as a death claim, grouped according to Age at Death or Year of Birth.

2.15 Examples of Forms B(1) and B(2) are attached.

2.16 Form B(1) or Form B(2) should be completed by each company for each class of policy stated in paragraph 1.1 as soon as possible after the end of each financial year of the company. The returns are forwarded with Form A to the Insurance Commissioner for the country in which the company is operating. The methods to be used for completing Form B(1) or B(2) are set out in the following paragraphs.

### Policies to be Included

2.17 In accordance with the classifications in paragraph 1.1, a separate Form B(1) or B(2) is completed for each of the four classes of policy stated in that paragraph ie -

- a) Medical Cases - Whole Life and Endowment Insurance
- b) Medical Cases - Term Insurance
- c) Non-Medical Cases - Whole Life and Endowment Insurance
- d) Non-Medical Cases - Term Insurance.

2.18 The policies which are included in each Form are policies which are terminated by death and are notified in the financial year of the company ending on the same date as at which the Form A is completed, being policies that are on the register or other record maintained by the company in the country to which the Form applies.

**Policies which are to be Excluded**

2.19 Termination of policies by death which are to be excluded from the annual statements are-

- a) policies issued on the basis of a rated up age, a contingent debt or an extra premium;
- b) reinsurances received from other companies; and
- c) group policies covering a number of lives.

2.20 Care should be taken in all instances to ensure that each policy included in Form B(1) or Form B(2) as terminated by death is a policy to which this investigation applies (see paragraphs 1.1 and 1.2).

**Date as at which Form B(1) or Form B(2) is Completed**

2.21 The Form is completed as at the end of each financial year of a company and shows the numbers of policies notified during the financial year as having terminated due to the death of the life insured.

**Completion of Form B(1)**

2.22 Details of each policy which is terminated by death and is notified to the company during the financial year to which Form B(1) applies are entered on successive lines in the Form B(1) prepared for the class of policy to which the policy belongs. The details entered are -

- a) Policy Number or other Identifying Number;
- b) Date of Birth of Life Insured under the Policy;
- c) Date of Risk commenced under the Policy; and
- d) Date of Death of Life Insured.

The date is supplied by showing the day, month and year of death.

2.23 A note is placed after the last entry on Form B(1) showing the number of entries on the statement. Companies which supply this data by computer disc are asked to prepare the data in the manner of Form B(2).

**Completion of Form B(2)**

2.24 A company which has a large number of death claims notified on each financial year of the company should complete Form B(2) and not Form B(1). Such a company completes Form B(2) by first summarising the policies which have been notified as death claims during the financial year of the company, to provide the numbers for entry into the lines and columns of the Form B(2) for each class of policy.

2.25 The line and column in which a policy is entered is the line and column which is appropriate at the date of death of the life insured. The instructions to be followed are the same instructions as apply to the completion of Form A (see paragraphs 2.6 to 2.12) but they are applied as at the date of death of the life insured to determine the age and curtate duration of the policy at that date.

**Totals**

2.26 The number of policies in each column of Form B(2) are added up. The total of each column is shown on a Total line below the last entries in the successive columns.

**Footnote**

2.27 Do not forget to show at the foot of each Form B(2) a statement of the methods used to determine -

Age at Death or Year of Birth  
Curtate Duration or Year of Risk Commenced.

**PART 3 - PREPARATION OF RETURNS RELATING TO ACCIDENTAL  
DEATH AND PERMANENT TOTAL DISABILITY CLAIMS**

**SELECTION OF THE DATA**

3.1 A company will supply data each year to enable investigations to be made into the incidence of Accidental Deaths and of claims in respect of Permanent Total Disability under life insurance policies.

3.2 Two options are set out in this Part for the form in which the necessary data is to be supplied. Companies will be advised by their Insurance Authority as to the preferred method (if any) for presentation of the data each year.

3.3 The options for the supply of the data are described in the following sections of this Part -

Section Subject

- |   |  |
|---|--|
| A | <u>Option A</u> - Data Relating to Accident Riders   |
| B | <u>Option B</u> - Data Relating to Accidental Deaths amongst Life Policies in Force, plus Permanent Total Disability |

**SECTION A - OPTION A - DATA RELATING TO ACCIDENT RIDERS**

3.4 Option A applies where a company issues life insurance policies which may or may not include an Accident Rider. In this event, a company shall supply separate Forms C for policies on male lives insured and for female lives insured, in respect of Ordinary insurances and Industrial insurances.

**FORMS C - NUMBERS OF ACCIDENT RIDERS IN FORCE**

3.5 Examples of Form C1 and Form C2 are attached. Separate Forms C are to be supplied for policies on male and female lives insured.

3.6 Form C1 or C2 is completed by each company for all classes of life insurance policy stated in paragraph 1.1 combined, as soon as possible after the end of each financial year of the company and forwarded to the Insurance Authority for the country in which the company is operating. The methods to be used for completing Forms C (short title for Forms C1 or C2) are set out in the following paragraphs.

**Policies to be Included**

3.7 The numbers of policies in all of the classes stated in paragraph 1.1 which carry an Accident Rider are combined, for all Durations, for inclusion in column (1) of Forms C. The policies in question are those policies in force at the date as at which the appropriate Form C is prepared, being policies carrying an Accident Rider, that are on the register or other record maintained by the company in the country to which the appropriate Form C applies.

**Date as at which Form C is Completed**

3.8 Forms C are completed as at the end of each financial year of a company and are forwarded to the Insurance Authority each year with Forms A and B.

**Age Attained or Year of Birth, Duration**

3.9 The remarks contained in paragraphs 2.6 and 2.7 apply equally to Forms C. It is considered, at this stage, that an analysis by the number of years for which a policy has been in force is not warranted.

3.10 As a result, the numbers of policies shown in column (1) of Forms C are the total numbers of policies for all classes of policy and durations, which carry Accident Riders and are in force at the date as at which the Form C is prepared.

**Totals**

3.11 The numbers in each column of Form C are added up. The total of each column is shown on a Total line at the bottom of the Form.

**Please Note Carefully**

3.12 The expression Accident Rider includes -

- a) A rider to a life insurance policy which provides benefits on Accidental Death and on Permanent Total Disability, if either event should occur during the term of the policy; or
- b) A rider to a life insurance policy which provides benefits on Permanent Total Disability only.

A company which offers both of the above types of Accident Rider will provide separate returns in Form C1 or C2 of policies in force, for each of the abovementioned types of Rider.

**FORM C - NUMBERS OF POLICIES TERMINATED BY  
ACCIDENTAL DEATH OR FOR WHICH A PERMANENT TOTAL  
DISABILITY CLAIM HAS BEEN RECEIVED**

**Preparation of Form C(1)**

3.13 A company which does not have a very large number of claims notified in a year for benefits under Accident Riders can supply details of claims under the Accidental Death or Permanent Total Disability clauses of Accident Riders by completing Form C(1) each year. The Form provides for particulars of each such claim notified in the year to be shown. Companies which supply this data on computer discs are asked to prepare the data in the manner of Form C(2).

**Preparation of Form C(2)**

3.14 A company may elect to use Form C(2) instead of Form C(1). This Form shows the numbers of claims under the Accidental Death or Permanent Total Disability clauses of Accident Riders, grouped according to the Age when the accident occurred or the Year of Birth of the policyholder.

**Claims to be Included**

3.15 Claims notified in the year to which the Form C relates for Accident Riders attached to all the classes of policy stated in paragraph 1.1 are combined for the purpose of completing Form C.

3.16 For Form C(1), separate details are entered for Accidental Deaths and for Permanent Total Disability. Companies which supply this data on computer discs are requested to refer to paragraph 3.13 above.

3.17 Details to be included if Form C(1) is completed are -

- a) Policy Number;
- b) Date of Birth of Life Insured; and
- c) Date of Accident which Resulted in the Claim being Made.

3.18 For Form C(2), numbers of Accidental Death claims notified in the year to which the form relates are entered in column (2); numbers of claims notified in the year for Permanent Total Disability benefits are entered in column (3), according to the Age when the accident occurred or the Year of Birth of the policyholder.

**Claims Which are Excluded**

3.19 Claims falling within the exclusions referred to in paragraphs 1.12 and 1.13 are omitted from Form C.

**SECTION B - OPTION B - DATA RELATING TO ACCIDENTAL DEATHS  
AMONGST LIFE POLICIES IN FORCE,  
PLUS PERMANENT TOTAL DISABILITY**

3.20 Option B can be selected by a company if -

- a) The company notifies the appropriate Insurance Authority that all life insurance policies in force with, and being issued by, the company contain an Accident Rider; or
- b) The Insurance Authority has notified the company that the preferred method for investigating the incidence of accidental deaths is to base the studies on the experience as to accidental deaths occurring under all classes of life insurance policy issued by the company, instead of under Accident Riders only.

**Number of Policies in Force**

**Accidental Deaths**

3.21 In the above circumstances, the Committee for Mortality Studies of Assured Lives will combine the Form A returns received from a company in respect of all the classes of life insurance policy detailed in paragraph 1.1, to provide the numbers of policies exposed to risk for the investigations into the incidence of Accidental Deaths, all of which include the payment of a benefit on accident death. Refer to paragraphs 2.1 - 2.12 for instructions dealing with the completion of Form A.

**Permanent Total Disability**

3.22 Similar action will be taken by the Committee for Mortality Studies of Assured Lives if the company has notified the appropriate Insurance Commissioner that all policies in force with, and being issued by, the company contain an Accident Rider which includes benefits payable on Permanent Total Disability.

### FORMS C - NUMBERS OF POLICIES PROVIDING PERMANENT DISABILITY BENEFITS

3.23 It will be necessary for a company which does not meet the condition stated in the preceding paragraph to complete Column (1) of Form C1 or C2. Reference should be made to paragraphs 3.7 to 3.12.

3.24 In these circumstances, Column (1) of Form C1 or C2 will show the numbers of policies in force at end of financial year which carry an Accident Rider which includes benefits for Permanent Total Disability.

#### **If Form B(1) is Provided**

3.25 In the above-mentioned circumstances, companies can supply details of numbers of Accidental Death claims received in the year to which a Form B(1) relates by marking each death reported on the Form B(1) with an asterisk (\*) if the claim is based on an Accidental Death as defined in this Part 1 of these Instructions. For companies supplying this data on computer discs, see paragraph 2.13 and 2.22.

#### **If Form B(2) is Provided**

3.26 A company which is providing the numbers of death claims received under all life policies in force during a year in the summary form provided by Form B(2) shall provide a separate return of Accidental Deaths, using Form C(2), Column (2).

#### **Permanent Total Disability**

3.27 A company which is subject to Option B as regards Accidental Death claims shall provide Form C(2) in respect of Permanent Total Disablement, completed as set out in Option A and showing -

- a) Column (1) - Where necessary, the numbers of policies in force at end of financial year which carry an Accident Rider which includes benefits for Permanent Total Disability (see paragraphs 3.21 and 3.22 above).
- b) Column (2) - Where necessary, the numbers of policies terminated during the financial year to which the return relates which were terminated as a result of an Accidental Death (as defined in Part 1), whether or not the policy carried an Accident Rider.
- c) Column (3) - Numbers of claims for Permanent Total Disability benefits under Accident Riders received during the financial year.

3.28 The company shall place a note at the foot of Form C, confirming that all policies summarised in the Forms A which have been supplied, carry an Accident Rider.

**THE COMMITTEE FOR MORTALITY STUDIES OF ASSURED LIVES**

**Form No.**

Item	Particulars
Name of Company	
Year for Return	
Male/Female	
Ordinary/Industrial	
Class of Policy/ All Policies	
In Force/Deaths, PTD	

- Notes:
- a) Delete entries in headings that are not applicable.
  - b) See also the Instructions for Completion of the Form.
  - c) If necessary, use more than one page for data, showing Totals on the last page.
  - d) Make sure that the pages are securely fastened to this cover sheet.

Footnote: Do not forget to state at bottom of Form B(2) the methods used to determine -  
Age at Death or Year of Birth  
Curtate Duration at Death or Year of Risk Commenced



**MORTALITY STUDIES OF ASSURED LIVES**

**STATEMENT OF POLICIES NOTIFIED AS DEATH CLAIMS  
DURING YEAR ENDED: (Date)**

M/F

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Policy Number/ Entry Number	Date of Birth	Date of Risk Commenced	Date of Death
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Note: See Instructions - Part 2 - for completion of this Form.



**ACCIDENTAL DEATH AND PERMANENT TOTAL DISABILITY**

**STATEMENT OF POLICIES AND CLAIMS**

**YEAR ENDED: (Date)**

M/F

Number of Policies in Force at Date		Details of Accidental Death and Permanent Total Disability Claims Received		
Age/Year of Birth	Number of Policies	Policy Number	Date of Birth	Date of Accident

Accident Death

Permanent Total Disability

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Total

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Note: See Instructions - Part 3 - for completion of this Form.

**ACCIDENTAL DEATH AND PERMANENT TOTAL DISABILITY**

**STATEMENT OF NUMBER OF POLICIES AND CLAIMS**

**YEAR ENDED: (Date)**

M/F

Number of Policies In Force at Date		Details of Accidental Death and Permanent Total Disability Claims Received	
Age/Year of Birth	Number of Policies At Date	---Number of Claims Received---	
		Accidental Permanent Total	Permanent Total Disability

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Total

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Note: See Instructions - Part 3 - for completion of this Form.