



Banc Ceannais na hÉireann
Central Bank of Ireland

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Guidance on the Treatment of Instalment Income from Premium Instalment Payment Plans



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Background

In 2003, both the MIAB and Industry participants highlighted the treatment of the inclusion of additional instalment income arising from premium instalment payment plans in the Statutory Non-Life Insurance Annual Return as an area where there is a variation in practice.

Clarification

In order to clarify this matter, the guidance from the Insurance Supervision Department remains that additional income arising from Premium Instalment Payment plans should be included on the Underwriting Revenue Account (Form 1) in Line 5 as "Other Income".

The Guidance Notes for the completion of Non-Life Insurance Annual Returns

The Guidance Notes for the completion of Non-Life Insurance Annual Returns issued by the Insurance Supervision Department in the past had indicated that "other ancillary underwriting income" should be included in Line 5 and this was to include "Instalment payment income".

The guidance note is available on our website www.centralbank.ie

A note explaining the breakdown of the "Other Income" in line 5 should be supplied in the "Notes to Forms" to clearly identify the precise amount included for individual items i.e. "Instalment Income"; "Reinsurance Commission Received" etc.

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