

THE CENTRAL BANK OF TRINIDAD AND TOBAGO

INSTRUCTIONS

QUARTERLY INCOME STATEMENT (Version 4) (CB 40/1 TO 40/4)

The Quarterly Income Statement (Version 4) is to be completed by all insurance companies for the periods January-March, April-June, July-September and October-December of each calendar year in accordance with section 61A of the Insurance Act, Chap. 84:01. A composite insurance company, (a company registered to write both long-term and other than long-term insurance business) must file separate returns for its long-term insurance business and other than long-term insurance business.

The Quarterly Returns (version4) must be submitted within twenty (20) working days of the period to which the Quarterly Returns relates. The Quarterly Returns (version 4) should be signed by an authorized officer of the company and forwarded to the attention of:

**The Manager,
Research Department
Central Bank of Trinidad & Tobago
Eric Williams Plaza
Independence Square
Port of Spain**

The Returns should also be emailed to insurance_reports@central-bank.org.tt using PGP (*Pretty Good Privacy*) encryption software or other compatible software to preserve the confidentiality of supervisory information.

The Central Bank of Trinidad and Tobago, in these Returns aims at:

- Securing regular reporting on the financial condition and performance of all insurance companies;
- Ensuring consistent and standardized information among reporting institutions; and
- Aggregating data for the purpose of assessing the performance of the insurance industry.

The Quarterly Returns (version 4) comprise the following:-

- CB-20 - The Balance Sheet and schedules 1A and 1B
- CB-40 - The Statement of Income and Expenses
- CB-201 - Investment Exposure
- CB-202 - Liability Exposure
- Stat. Deposit - Statutory Deposit Requirement
- Stat. Fund – Requirement in respect of Long Term Insurance Business
- Stat. Fund Motor – Requirement in respect of Motor Vehicle Insurance Business

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UNIT OF MEASUREMENT

All values are to be reported in thousands of TT dollars

CLASS 4 – OPERATING INCOME

ACCOUNT 401 - INTEREST INCOME

DESCRIPTION: Includes all income (collected and accrued) produced by interest earning assets such as due from bank accounts, investments and loans.

Sub Account 40101 – Due from Bank Accounts

Report the amount of interest income during the reporting period on operational balances kept with domestic and foreign banks

Item 4010101 – Local

Item 4010102 – Foreign

Sub-Account 40103 – Total Investments

Include the amount of interest earned during the reporting period on all Treasury Bills, Public Bonds, and other local and foreign interest producing investments.

Item 4010301 - Local Investments

Item 4010302 - Foreign Investments

Sub-Account 40104 – Total Loans

Include all interest earned (collected and accrued), and discounts on all assets and all past due interest charges on loans included in the total reported under [Account 14 “Loans”](#).

Item 4010403 - Real Estate Loans

Item 401010301 - Commercial Mortgages

Item 401010302 – Residential Mortgages

Item 4010404 - Policy Loans

Sub Account 40105 - Other (Specify)

Include all other loans not included above

ACCOUNT 402 – FEE INCOME

DESCRIPTION: Include all fees earned during the current reporting period on Loans, Administration HMB, Investment, Policies, Deposit Administration and all other related to services provided by the institutions to its customers.

Sub Account 40201 – Loans

Include investments and other service fees earned on all assets categorized under [Account 14 “Loans”](#).

Sub Account 40204 – Administration Fees – HMB

Include fees received for mortgages administered on behalf of the Home Mortgage Bank (HMB).

Sub-Account 40205 - Service

Include fees and commissions charged for services such as rental of real estate.

Sub-Account 40206 – Investment

Include fees charged for an investment portfolio.

Sub-Account 40207 – Policies

Include the flat amount added to the basic premium rate to reflect the cost of issuing a policy, establishing the required records, sending premium notices and other related expenses.

Sub Account 40208 – Deposit Administration

Include fees for the administration of pension plans or other plans on deposit.

Sub Account 40209 – Other (Specify)

ACCOUNT 403 – DIVIDEND INCOME

DESCRIPTION: Include all income from holdings of equities reported in [Account 13](#) “Investments”.

ACCOUNT 404 – RENTAL INCOME

DESCRIPTION: Include gross rentals on properties owned by the institution including those which were acquired for debts previously contracted.

ACCOUNT 405 – FOREIGN EXCHANGE INCOME (PROFIT/LOSS)

DESCRIPTION: This account reflects the profit/loss obtained by the institution during the period as a result of the fluctuations in the value of their accounts in the various foreign currencies.

ACCOUNT 407 – LEASE INCOME

DESCRIPTION: Include income obtained from lease financed operation. Include full lease rentals.

ACCOUNT 408 – OTHER OPERATING INCOME

DESCRIPTION: Include all other operating income not included in any other Account.

Sub-Account 40801 - Net Realised Gains on Assets

Include Net realised gains and losses on assets sub-divided into the following categories:

Item 4080101 – Investment Properties
Item 4080102 – Equity Securities
Item 4080103 – Debt Securities
Item 4080109 - Other

Sub-Account 40802 - Net Fair Value Gains on Assets

Include net fair value gains and losses on assets designated to be in this category upon initial recognition and sub-divided into the following categories:

Item 4080201 – Investment Properties
Item 4080202 – Equity Securities
Item 4080203 – Debt Securities
Item 4080209 - Other

Sub-Account 40809 – Other

Include all other operating income not captured elsewhere in the return.

ACCOUNT 409 – GROSS PREMIUM INCOME

DESCRIPTION: Include gross premiums from all classes of insurance business separated into long term and short term classes. “Gross premium” refers to premiums after deduction of refunds and rebate of premiums but before deduction of premiums for reinsurance ceded and commission payable by the institution. Gross premiums are accounted for when invoiced – this corresponds to the date the insurance cover becomes effective. Subsequent revisions are accounted for in the period or year during which they occur. Also includes reinsurance premiums inwards or reinsurance premiums assumed.

Sub-Account 40901 – Gross Premium Income - New Business

Item 4090101 New Business Premium Income for Long Term Business

Include new business income from the following classes of business:

Item 409010101 - Ordinary Life
Item 409010102 - Group Life
Item 409010103 - Group Pension
Item 409010104 - Deposit Administration Contracts
Item 409010105 - Individual Annuities
Item 409010106 - Unit Linked Funds
Item 409010107 - Other Long Term Funds

Item 4090102 New Business Premium Income for Short Term Business

Include income from the following classes of business:

Item 409010201 - Property

Item 409010202 – Motor Vehicle
Item 409010203 - Marine Hull
Item 409010204 – Marine cargo
Item 409010205 - Aviation Hull
Item 409010206 - Transport
Item 409010207 - Bonds
Item 409010208 - Credit Protection
Item 409010209 - Legal Expense
Item 409010210 - Workmen’s Comp.
Item 409010211 - Accident and Sickness
Item 409010212 - Mortgage Indemnity
Item 409010213 - Pecuniary Loss/Fidelity
Item 409010214 - Group Health
Item 409010215 - Individual Health
Item 409010216 - Liability – General
Item 409010217 - Liability – Public
Item 409010218 - Liability – Product
Item 409010219 - Professional Indemnity
Item 409010220 - Engineering Risks
Item 409010221 - Other Approved Products

Sub Account 40902 – Gross Premium Income – Renewal Business

Include gross premiums for renewal business from all classes of insurance business separated into long term and short term classes as outlined in 40901 above.

ACCOUNT 410 – COMMISSION INCOME

DESCRIPTION: Include all commission earned on insurance premiums ceded to reinsurers during the period (collected and accrued). Adjustments to commissions earned due to sliding scale commission agreements are reflected in the period when finalized. Commission Income should be separated into long term and short term classes as outlined in 40901 above.

Sub Account 41001 – Commission Income on Long Term Business

Include commission earned on long term classes of business as outlined in Item 4090101 above.

Sub Account 41002 – Commission Income on Short Term Business

Include commission earned on long term classes of business as outlined in Item 4090102 above.

ACCOUNT 411 – REINSURANCE RECOVERED ON CLAIMS

DESCRIPTION: Includes the following:

- Reinsurers’ proportion of all claims incurred for the period. Reserves for claims are made on the occurrence basis.
- Reinsurers’ proportion of provisions made for claims incurred but not reported until after the balance sheet date.

- Reinsurers' proportion of adjustments to claim provisions in respect of claims at the beginning of the period
- Reinsurance Recovered on Claims should be separated into long term and short term classes as outlined in 40901 above.

Sub Account 41101 – Reinsurance Recovered on Long Term Business

Sub Account 41102 – Reinsurance Recovered on Short Term Business

CLASS 5 – OPERATING EXPENSES

DESCRIPTION: Includes those accounts which reflect ordinary and recurring financial costs and expenses incurred during the period by the institution. **All expenses should be recorded on an accrual basis.** In the balance sheet such accrued and unpaid expenses should be reported in [Account 26 Other “Current Liabilities”](#).

ACCOUNT 501 – INTEREST EXPENSES

DESCRIPTION: Include all interest expenses incurred by the institution in the quarter period for Borrowings up to one (1) year and long-term borrowings, Investment Contracts, Dividends, Claims, Refund of Premiums and any other interest related expenses

Sub-Account 50106 - Borrowings (up to 1 year)

Include interest expensed on all borrowings all ‘due to’ bank accounts and any other borrowing over 15 days but less than 365 days. Interest expensed on ‘due to’ bank accounts ([liability Item 2402](#)) commercial, as well as interest expensed on all operating accounts (credit balances) with the reporting institution.

Sub-Account 50107– Long Term Borrowings

Include the interest expense on all borrowings for periods in excess of 365 days.

Sub Account 50108 – Investment Contracts

Include interest expensed investment contracts in accordance with IAS 39.

Sub Account 50110 - Dividends

Include interest expensed on dividends/bonuses paid to policyholders.

Sub Account 50111 - Claims

Include interest expensed on claims during the quarter.

Sub Account 50112 - Refund of Premiums

Include interest on premiums refunded as a result of

- (1) cancelled policies
- (2) policy benefits
- (3) disallowed claims.

Sub Account 50113 – Real Estate Mortgage Expense

Include interest expensed on real estate mortgages during the quarter for premises occupied by the company and investment properties owned by the company.

Item 5011301 – Land and Buildings
Item 5011302 – Investment Properties

Sub-Account 50109 – Other
Include all other expenses not included above.

ACCOUNT 502 – SALARIES AND RELATED BENEFITS

DESCRIPTION: This Account includes compensation and supplementary benefits of all full time officers and employees, and part time employees other than “temporaries”, which should be reported under [Account 508 – ‘Other Operating Expenses’](#). Include bonuses and extra compensation amounts withheld from salaries for National Insurance and contributions to the reporting institution’s retirement or pension plan.

Also include such employee benefits as the reporting institution’s contribution to its retirement and pension fund: vacation bonuses, hospitalization insurance premiums paid by the reporting institution, unemployment and NIS deductions paid by the reporting institution on its account: net cost of dining rooms, medical services, uniforms and other fringe benefits.

ACCOUNT 503 – PROFESSIONAL SERVICES (LOCAL)

DESCRIPTION: Include all local expenses for professional services, such as legal, management and investment counsel, if such advisors are not salaried employees of the reporting institution.

ACCOUNT 504 – PROFESSIONAL SERVICES (FOREIGN)

DESCRIPTION: Include all foreign expenses for professional services, including administrative payments to overseas Head Offices.

ACCOUNT 505 – OCCUPANCY EXPENSE

DESCRIPTION: This Account should reflect the gross expense of premises owned or rented by the institution. Include ordinary repairs to premises and leasehold improvements and the cost of leasehold improvements not carried on the books of the reporting institution as an asset; and all other current expenses connected with the use of premises such as electricity, water, janitorial services etc.

ACCOUNT 506 – ADDITIONS (RELEASES) TO PROVISIONS

DESCRIPTION: Include in this Account all additions to or releases from provisions for loan loss. When a loan has been classified as non-performing, this Provisions Account should be increased by interest accrued and unpaid plus the loan balance net of the realizable value of loan security. See [Note to Asset Account 1409 "Specific Loan Loss Provision"](#).

Sub-Account 50601 – Loans

Sub-Account 50602 – Receivables

Item 5060202 - Agents

Item 5060203 - Insurance Companies

Item 5060204 - Brokers

Item 5060205 - Due from related parties

Item 5060206 - Policyholders

Sub-Account 50603 - Securities

ACCOUNT 507 – LOANS WRITTEN OFF

DESCRIPTION: Include the total value of all loans written off as an irrecoverable debt for the reporting period.

ACCOUNT 508 – OTHER OPERATING EXPENSES

DESCRIPTION: Includes all operating expenses not included in other Accounts.

Sub-Account 50801 – Depreciation

Item 5080101 – Fixed Assets

Item 5080102 – Amortisation of Leased Assets

Item 5080103 – Investment Properties

Sub-Account 50802 – Escort and Guard fees

Sub-Account 50803 – Software Development

Sub-Account 50804 – Advertising

Sub-Account 50805 – Cost & Maintenance of Furniture & Equipment

Sub-Account 50806 – Entertainment

Sub-Account 50807 – Deposit Insurance

Sub-Account 50808 – Other (Specify)

ACCOUNT 509 - GROSS CLAIMS INCURRED

DESCRIPTION: Include estimated cost of claims reported during the quarter. The institution is liable for all insured events that occurred during the term of the contract even if the loss is discovered after the end of the contract term. As a result, a provision is also made for claims incurred but not reported until after the balance sheet date. The estimated cost of claims include direct expenses to be incurred in settling claims net of estimated salvage recoveries. Differences between the provisions for outstanding claims and subsequent revisions and settlements are included in the operating expenses when they occur.

Sub-Account 50901 - Gross Claims Incurred– Long Term

Include claims incurred for the following long term classes of business:

- Item 5090101 - Ordinary Life*
- Item 5090102 - Group Life*
- Item 5090103 - Group Pension*
- Item 5090104 - Deposit Administration Contracts*
- Item 5090105 - Individual Annuities*
- Item 5090106 - Unit Linked Funds*
- Item 5090107 - Other Long Term Funds*

Sub-Account 50902 - Gross Claims Incurred – Short Term

Include claims incurred for the following classes of short term business:

- Item 5090201 - Property*
- Item 5090202 - Automobile*
- Item 5090203 - Marine Hull*
- Item 5090204 - Aviation Hull*
- Item 5090205 - Transport*
- Item 5090206 - Bonds*
- Item 5090207 - Credit Protection*
- Item 5090208 - Legal Expense*
- Item 5090209 - Workmen’s Comp.*
- Item 5090210 - Accident and Sickness*
- Item 5090211 - Mortgage Indemnity*
- Item 5090212 - Pecuniary Loss/Fidelity*
- Item 5090213 - Group Health*
- Item 5090214 - Individual Health*
- Item 5090215 - Liability – General*
- Item 5090216 - Liability – Public*
- Item 5090217 - Liability – Product*
- Item 5090218 - Professional Indemnity*
- Item 5090219 - Engineering Risk*
- Item 5090220 - Other Approved Products*

Sub Account 50903 - Long Term Gross Claims Incurred (by category)

Include all gross claims incurred broken down by deaths, maturities, annuities, surrendered policies, interim bonuses, and disability claims.

- Item 5090301 - Deaths*
- Item 5090302 - Maturities*
- Item 5090303 - Annuities*
- Item 5090304 - Surrendered Policies*
- Item 5090305 - Interim Bonuses*
- Item 5090306 - Disability Claims*

ACCOUNT 510 - INSURANCE BENEFITS GROSS

DESCRIPTION: Include all benefits excluding claims.

Sub-Account 51001 – Dividends

Include dividends paid on policies.

Sub-Account 51002 – Bonuses

Include bonuses paid to policyholders.

Sub Account 51003 – Other

Include all other insurance benefits not included above.

ACCOUNT 511 - INCREASE/ (DECREASE) IN POLICYHOLDERS RESERVE

Sub-Account 51101 – Increase/ (Decrease) in Long-term Policyholder Liabilities

Include the increase or decrease between the provision for long-term policyholder liabilities at the beginning of the quarter and at the end of the quarter.

Sub-Account 51102 - Increase/ (Decrease) in Unearned Premium Reserve

Include the increase or decrease between the provision for unearned premiums at the beginning of the quarter and at the end of the quarter. It represents the proportions of the premiums written in the period less reinsurance thereon which relate to periods of insurance subsequent to the balance sheet date. The Insurance Companies (Accounts and Forms) Regulations requires each company to state the basis for its calculation. If the basis for the calculation is less accurate than the “twenty-fourths method”, the reason for its adoption is to be so stated.

Sub-Account 51103 - Increase/ (Decrease) in Unexpired Risk Reserve

Include the Increase or decrease between the provision for unexpired risks at the beginning of the quarter and at the end of the quarter. It represents amounts set aside (in addition to unearned premiums) at the end of the quarter in respect of subsequent risks to be borne by the institution under contracts of insurance in force at the end of the quarter

Sub-Account 51104 – Increase/ (Decrease) in Catastrophe Reserves

Include the increase or decrease between the provision for catastrophes at the beginning of the quarter and at the end of the quarter.

Sub-Account 51105 – Increase/ (Decrease) in Experience Rating Refund

Include the increase or decrease between the Experience Rating Refund from reinsurers at the beginning of the quarter and at the end of the quarter.

ACCOUNT 512 - REINSURANCE CEDED

DESCRIPTION: Include all premiums ceded directly to reinsurers in accordance with proportional treaties or ceded facultatively on an individual basis. Also includes premiums paid to reinsurers for excess of loss and catastrophe cover. Reinsurance Ceded should be separated into long term and short term classes as outlined in Items 50901 and 50902 above.

Sub Account 51201 – Reinsurance Ceded on Long Term Business
Sub Account 51202 – Reinsurance Ceded on Short Term Business

ACCOUNT 513 – COMMISSION EXPENSES

DESCRIPTION: Include all commission and other compensation payments made to registered salesmen, agents and brokers. The payments are recorded and expensed in the quarter in which the premium is invoiced whether the premium is collected in the quarter or not. Commission Expense should be separated into long term and short term classes as outlined in Items 50901 and 50902 above.

Sub Account 51301 – Commission Expense on Long Term Business
Sub Account 51302 – Commission Expense on Short Term Business

ACCOUNT 514 – OTHER ACQUISITION EXPENSES

DESCRIPTION: Include that portion of an insurance premium which represents the cost of producing the insurance business, excluding the agent's commission. It includes the company field expenses and other related expenses. Other Acquisition Expenses should be separated into long term and short term classes as outlined in Items 50901 and 50902 above.

Sub Account 51401 – Other Acquisition Expense on Long Term Business
Sub Account 51402 – Other Acquisition Expense on Short Term Business

CLASS 6

ACCOUNT 601 – OPERATING PROFIT (LOSS)

DESCRIPTION: This account represents the difference between Income (Class 4) and Operating Expenses (Class 5).

ACCOUNT 602 – DIVIDENDS FROM EQUITY IN SUBSIDIARIES AND AFFILIATES

DESCRIPTION: Include under this account the cash dividends from equity in subsidiaries and affiliates.

ACCOUNT 603 – PROFIT (LOSS) BEFORE EXTRAORDINARY ITEMS

DESCRIPTION: This account represents the sum of Accounts 601 and 602.

ACCOUNT 604 – EXTRAORDINARY INCOME

DESCRIPTION: Include all income obtained during the reporting period from extraordinary or non-recurring transactions such as income received from the sale of assets acquired for debts previously contracted, and sale of fixed assets.

ACCOUNT 605 – EXTRAORDINARY EXPENSES

DESCRIPTION: Include expenses incurred in deriving extraordinary income as well as all other expenses of a non-recurring nature.

ACCOUNT 606 – PROFIT (LOSS) BEFORE TAX

DESCRIPTION: This account represents the sum of Accounts 603 and 604 less Account 605.

ACCOUNT 607 – INCOME TAX

DESCRIPTION: Include all income taxes levied against the reporting institution for the current reporting period.

ACCOUNT 608 – NET PROFIT (LOSS) AFTER TAX

DESCRIPTION: Reflects the net result obtained by the institution during the reporting period. The net profit or loss figure (after tax) is calculated by deducting Account 607 – Income Tax from Account 606 – Profit (loss) before Taxes.

ACCOUNT 609 – ADJUSTMENTS TO PRIOR PERIODS

DESCRIPTION: Include adjustments that become necessary as a result of errors or omissions in the financial statements of one or more previous periods. Where necessary, supplementary information may be given so as to provide full disclosure of each prior period adjustment (e.g. where amounts are material or to differentiate between Prior Period Items vs changes in Accounting Estimates vs changes in Accounting Policies).

ACCOUNT 700 – NET PROFIT (LOSS) FOR THE PERIOD

DESCRIPTION: Reflects the net result obtained by the institution for the period after all adjustments. Net Profit (loss) for the period is calculated by adding/deducting Account 609 – Adjustments to Prior Periods from Account 608 – Net Profit (Loss) after Tax.

MEMO - DIVIDENDS

DESCRIPTION: Include dividends paid/proposed in respect of the earnings of the reporting period. Do not include dividends paid during the reporting period which were declared in a prior period.