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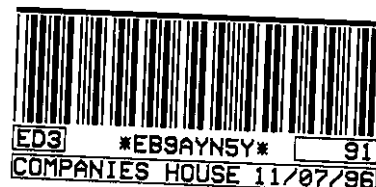
# The Prudential Assurance Company Limited

RETURNS UNDER THE  
INSURANCE COMPANIES ACT 1982  
(as amended)

## SCHEDULES 1, 3 AND 6 (PARTS I, II & III)

of The Insurance Companies (Accounts and Statements) Regulations 1983 (as amended)

For the year ended 31 December 1995



## NOTE

### **THE INSURANCE COMPANIES (ACCOUNTS AND STATEMENTS) REGULATIONS 1983 (AS AMENDED)**

The "Instructions" in the above Regulations for the completion of the forms have not, because of insufficient space, been printed on certain forms. The "Instructions" to the forms in question are to be found where indicated below:

#### Schedule 1

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#### Schedule 3

Form 40	73
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## Statement of solvency

Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**

Company registration number	Global / UK/CM	Period ended			Units	For official use
		day	month	year		

<b>F9</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>	
		As at the end of the financial year 1	As at the end of the previous year 2		Source		
					Form	Line	Column

**GENERAL BUSINESS****Available assets**

Other than long term business assets allocated towards general business required minimum margin	11	348,341	268,685	See instructions 1 & 2 in Appendix
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**Required minimum margin**

Required minimum margin for general business	12	56,367	70,220	12 . 49
Excess (deficiency) of available assets over the required minimum margin (11-12)	13	291,974	198,465	
Implicit items admitted under regulation 23(5) of the Insurance Companies Regulations 1994	14			

**LONG TERM BUSINESS****Available assets**

Long term business admissible assets	21	37,381,070	35,879,522	10 . 11
Other than long term business assets allocated towards long term business required minimum margin	22			See instructions 1 & 3 in Appendix
Total mathematical reserves (after distribution of surplus) *	23	28,338,971	28,886,692	See instruction 4 in Appendix
Other insurance and non-insurance liabilities	24	1,390,949	1,277,563	See instruction 5 in Appendix
Available assets for long term business required minimum margin (21+22-23-24)	25	7,651,150	5,715,267	

Implicit items admitted under regulation 23(5) of the Insurance Companies Regulations 1994

Future profits	31			
Zillmerising	32			
Hidden reserves	33			

Total of available assets and implicit items (25+31+32+33)	34	7,651,150	5,715,267	
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**Required minimum margin**

Required minimum margin for long term business	41	1,246,206	1,292,393	60 . 13
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	207,701	215,399	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	7,443,449	5,499,868	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	6,404,944	4,422,874	

## Statement of solvency

Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Company  
registration  
numberGlobal /  
UK/CM

Period ended

day month year

Units

For  
official  
use

F9	15454	GL	31	12	1995	£000	
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	As at the end of the financial year 1	As at the end of the previous year 2	Source		
			Form	Line	Column

## ALLOCATION OF OTHER THAN LONG TERM BUSINESS ASSETS

Other than long term business assets allocated towards general business required minimum margin	51	348,341	268,685	
Other than long term business assets allocated towards long term business required minimum margin	52			
Net other than long term business assets (51+52)	53	348,341	268,685	10 . 29

## CONTINGENT LIABILITIES

Quantifiable contingent liabilities in respect of other than long term business as shown in a supplementary note to Form 15	60			See instruction 6 in Appendix
Quantifiable contingent liabilities in respect of long term business as shown in a supplementary note to Form 14	61	1,000	4,000	See instruction 6 in Appendix

Instructions for completion of this form are printed in the appendix at the end of this return.

\* See note 17 of the notes to the Returns.

\_\_\_\_\_ P J Davis Director

\_\_\_\_\_ J W Bloomer Director

\_\_\_\_\_ P R Rawson Secretary

## Statement of net assets

Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**

Company registration number	Global / UK/CM	Period ended			Units	For official use
		day	month	year		
<b>F10</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>

		As at the end of the financial year 1	As at the end of the previous year 2	Source		
				Form	Line	Column
Long Term business-admissible assets	11	37,381,070	35,879,522	13	.	93
Long Term business-liabilities and margins	12	37,381,070	35,879,522	14	.	59

Other than Long Term business-admissible assets	21	1,629,530	1,387,939	13	.	93
Other than Long Term business-liabilities	22	1,281,189	1,119,254	15	.	59
Net admissible assets (21 - 22)	27	348,341	268,685			
Unpaid capital - as per line 53	28					
Net Assets (27 + 28)	29	348,341	268,685			

Authorised share capital	41	87,500	87,500			
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Paid up share capital	51	74,597	74,597			
Share premium account	52					
Unpaid amounts (including share premium) on partly paid shares within the limits allowed by regulation 23 of the Insurance Companies Regulations 1994	53					
Amounts representing the balance of net assets	54	273,744	194,088			
Total (51 to 54) and equal to line 29 above	59	348,341	268,685			

Instructions for completion of this form are printed in the appendix at the end of this return.

**General business: Calculation of required margin of solvency-first method**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**

		Company registration number	Global / UK/CM	Period ended			Units	For official use	
		F11	15454	GL	31	12	1995	£000	
				The financial year 1	Previous year 2		Source		
							Form	Line	Column
Gross premiums receivable		11	325,900	353,113	See note below				
Premium taxes and levies (included in line 11)		12							
Sub-total A (11-12)		13	325,900	353,113					
Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure		14							
Division of Sub-total A (or adjusted Sub-total A if appropriate)	Other than health insurance	Up to and including sterling equivalent of 10M ECU x 18/100		15	1,514	1,407			
		Excess (if any) over 10M ECU x 16/100		16	50,798	55,248			
	Health insurance	Up to and including sterling equivalent of 10M ECU x 6/100		17					
		Excess (if any) over 10M ECU x 16/300		18					
Sub-total B (15+16+17+18)		19	52,312	56,655					
Claims paid		21	283,124	321,759					
Claims outstanding carried forward at the end of the financial year	For business not accounted for on a one-year basis		22	151,548	186,158				
	For business accounted for on a one-year basis		23	365,653	370,849				
Claims outstanding brought forward at the beginning of the financial year	For business not accounted for on a one-year basis		24	186,176	227,503				
	For business accounted for on a one-year basis		25	368,478	446,750				
Sub-total C (21+22+23-(24+25))		29	245,671	204,513					
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		30	19,076	32,935					
Sub-total D (29-30)		39	226,595	171,578					
First result Sub-total B x $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if 1/2 is a greater fraction, x 1/2)		41	48,250	47,531					

**Note**

In respect of business not accounted for on a one year basis, the provision for claims outstanding brought forward at the beginning of the financial year in question and recorded in line 24, column 1 shall be computed as if it took account of all premiums receivable in respect of previous financial years, whether or not those premiums had been received at that date.

**General business: Calculation of required margin of solvency - second method, and statement of required minimum margin**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Company  
registration  
numberGlobal /  
UK/CM

Period ended

day month year

Units

For  
official  
use

			F12	15454	GL	31	12	1995	£000	
				The financial year 1		Previous year 2		Source		
								Form	Line	Column
Reference period (No. of financial years)			Insert "3" or "7" here	3	11			See note below		
Claims paid in reference period					21	1,037,581	1,239,072			
Claims outstanding carried forward at the end of the reference period	For business not accounted for on a one-year basis				22	151,548	186,158			
	For business accounted for on a one-year basis				23	365,653	370,849			
Claims outstanding brought forward at the beginning of the reference period	For business not accounted for on a one-year basis				24	228,715	224,894			
	For business accounted for on a one-year basis				25	531,266	481,595			
Sub-total E (21+22+23-(24+25))					29	794,801	1,089,590			
Sub-total F - Conversion of Sub-total E to annual figure (multiply by 12 and divide by number of months in reference period)					31	264,934	363,197			
Division of Sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100			32	1,531	1,422			
		Excess (if any) over 7M ECU x 23/100			33	59,581	82,277			
	Health insurance	Up to and including sterling equivalent of 7M ECU x 26/300			34					
		Excess (if any) over 7M ECU x 23/300			35					
Sub-total G (32+33+34+35)					39	61,112	83,699			
Second result Sub-total G x $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if 1/2 is a greater fraction, x 1/2)					41	56,367	70,220			

First result	42	48,250	47,531	11 . 41
Required margin of solvency (the higher of lines 41 and 42)	43	56,367	70,220	

Minimum guarantee fund	44	336	313	
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Required minimum margin (the higher of lines 43 and 44)	49	56,367	70,220	
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**Note**

1. If the company has not been in existence long enough to acquire a reference period, this shall be stated and lines 11 to 41 ignored.

2. In respect of business not accounted for on a one year basis, the provision for claims outstanding brought forward at the beginning of the reference period and recorded in line 24, column 1 shall be computed as if it took account of all premiums receivable in respect of previous financial years, whether or not those premiums had been received at that date.

## Analysis of admissible assets

Name of company **The Prudential Assurance Company Limited**

Global business

Business: Other than Long Term

Financial year ended **31st December 1995**Category of Assets **Total**Company registration number **15454** Global / UK/CM **GL** Period ended day **31** month **12** year **1995** Units **£000** Category of assets **1** For official use

F13	15454	GL	31	12	1995	£000	1
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		As at the end of the financial year 1		As at the end of the previous year 2	
		11	12	13	14
Admissible assets	Land				
	Fixed interest securities				
	Issued by, or guaranteed by, any government or public authority				
	Other fixed interest securities except those in dependants which must be included in lines 29 to 34 and any to be included in lines 61 or 62				
Variable interest securities except those included at lines 21 to 34	Issued by, or guaranteed by, any government or public authority, except those included at line 17				
	Issued by, or guaranteed by, any government or public authority, where the capital value or interest is determined by an index of prices				
	Other				
	Shares except those in dependants which must be included in lines 29, 31 or 33				
Other variable yield investments	Holdings in collective investment schemes within the meaning of the Financial Services Act 1986				
	Companies authorised to transact insurance business in the United Kingdom				
	Other insurance companies				
	Non-insurance companies				
Investments in dependants	Value of any shares held				
	Debts, other than amounts which must be included in lines 41 or 51 to 54				
	Value of any shares held				
	Debts, other than amounts which must be included in lines 41 or 51 to 54				
Rights under derivative contracts	Value of any shares held				
	Debts, other than amounts which must be included in lines 41 or 51 to 54				
	Value of any shares held				
	Debts, other than amounts which must be included in lines 41 or 51 to 54				
Total (11 to 35)					



## Analysis of admissible assets

## The Prudential Assurance Company Limited

Name of company

Global business

Business: Other than Long Term

Financial year ended 31st December 1995

Category of Assets Total

Company registration number 15454  
Global / UK/CM GL  
Period ended day 31 month 12 year 1995  
Units £000 1  
Category of assets 1  
For official use

		As at the end of the financial year 1	As at the end of the previous year 2
<b>Admissible assets</b>			
Loans secured by policies of insurance issued by the company		41	
Tax recoveries due from taxation authorities		42	92,537
Deposits and current accounts with approved credit institutions and approved financial institutions, and deposits with local authorities	Current accounts and amounts on deposit for a fixed term of, or on deposit and withdrawable after giving notice of, 12 months or less after the end of the financial year, and certificates of deposit maturing during that period	43	225,456
	Other	44	1,209
	Premium income in respect of direct insurance and facultative reinsurance contracts accepted not yet paid to the company less commission payable thereon	51	3,022
Insurance debts including those due from dependants and individuals	Amounts due from ceding insurers and intermediaries under reinsurance treaties accepted	52	1,750
	Amounts due from reinsurers and intermediaries under reinsurance contracts ceded	53	4,411
	Recoveries due by way of salvage or from other insurers in respect of claims paid other than recoveries under reinsurance contracts ceded	54	
Debts fully secured on land except listed debentures (which must be included in line 13), debts due from dependants (which must be included in lines 30, 32 or 34), and debts due from individuals (which must be included in lines 64 or 66)	due more than 12 months after the end of the financial year	61	129,505
	due in 12 months or less after the end of the financial year, or which would become due if the company exercised any right to require repayment within that period	62	55,501
Debts except those which must be included in other lines	due from companies and unincorporated bodies of persons	63	682
	due from individuals	64	
	due from companies and unincorporated bodies of persons	65	74,936
Total (41 to 66)	due from individuals	66	108,322
		69	697,331
			536,136

## Analysis of admissible assets

## The Prudential Assurance Company Limited

Name of company

Global business

Business: Other than Long Term

Financial year ended 31st December 1995

Category of Assets Total

Company registration number 15454  
Global / UK/CM GL  
Period ended day 31 month 12 year 1995 £000 1  
For official use

F13	15454	GL	31	12	1995	£000	1	
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		As at the end of the financial year				As at the end of the previous year	
		1				2	
<b>Admissible assets</b>							
Shares in Building Societies and Industrial and Provident Societies		71					
Cash		72					
Computer equipment		81				33	9
Other office machinery, furniture, motor vehicles and other equipment		82				365	159
Life interests, reversionary interests and similar interests in property		83					
Linked assets	linked assets in internal linked funds (as shown in line 12 on Form 49)	85					
	other linked assets	86					
Deduction for inadmissible assets		87					
Total of Sheet 1 (13.39)		91				931,801	851,635
Total of Sheet 2 (13.69)		92				697,331	536,136
Gross Total of admissible assets (71 to 92)		93				1,629,530	1,387,939

Total of assets valued in accordance with valuation regulations which would have been included in one of the headings above but for the admissibility limits applied by which certain assets are required to be taken into account only to a specified extent	94		3,819
Amounts included in line 93 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance	95	57,443	26,751

## Analysis of admissible assets

## The Prudential Assurance Company Limited

Name of company

Global business

Business: Long Term

Financial year ended 31st December 1995

Category of Assets Total

Company registration number	Global / UK/CM	Period ended			Category of assets	For official use
		day	month	year		

F13	15454	GL	31	12	1995	£000	10	
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		As at the end of the financial year 1	As at the end of the previous year 2
Admissible assets			
Land		11	4,023,633
		12	2,398,865
		13	791,507
		14	481,891
		15	42,439
		16	
		17	162
		18	41,673
		21	27,062,013
		22	62,829
		23	15,573
		29	262,056
		30	31,500
		31	
		32	
		33	38,684
		34	157,012
		35	25,317
		39	35,403,654
			31,635,263

**The Prudential Assurance Company Limited**

Company

**Global /**

day month year

[illegible]

10

at the end of

previous year

11

## Analysis of admissible assets

The Prudential Assurance Company Limited

The Prudential Assurance Company Limited									
31st December 1995									
Total									

## Admissible assets

Shares in Building Societies and Industrial and Provident Societies

Cash

Computer equipment

Other office machinery, furniture, motor vehicles and other equipment

Life interests, reversionary interests and similar interests in property

Linked assets  
linked assets in internal linked funds (as shown in line 12 on Form 49)

other linked assets

Deduction for inadmissible assets

Total of Sheet 1 (13.39)

Total of Sheet 2 (13.69)

Gross Total of admissible assets (71 to 92)

Total of assets valued in accordance with valuation regulations which would have been included in one of the headings above but for the admissibility limits applied by which certain assets are required to be taken into account only to a specified extent

Amounts included in line 93 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance

## Analysis of derivative contracts

Name of company **The Prudential Assurance Company Limited**

Global business

Business: Other than Long Term

Financial year ended **31st December 1995**Category of Assets **Total**

		Company registration number	Global / UK/CM	Period ended			Units	Category of assets	For official use
				day	month	year			
		<b>F13A</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>	<b>1</b>
Derivative Contracts		As at the end of the financial year		As at the end of the previous year					
		Assets	Liabilities	Assets	Liabilities				
		1	2	3	4				
Futures Contracts	Fixed-interest securities	11							
	Equity Shares	12							
	Land	13							
	Currencies	14							
	Other	15							
Options	Fixed-interest securities	21							
	Equity Shares	22	3		568				
	Land	23							
	Currencies	24							
	Other	25							
Contracts for Differences	Fixed-interest securities	31							
	Equity Shares	32			2,272				
	Land	33							
	Currencies	34	241						
	Other	35	292		11				
Adjustment for margins		41							
Provision for adverse changes in value		42							
Total (11 to 42)		51	536		2,851				

## Analysis of derivative contracts

Name of company **The Prudential Assurance Company Limited**

Global business

Business: Long Term

Financial year ended **31st December 1995**Category of Assets **Total**

Company registration number	Global / UK/CM	Period ended			Units	Category of assets	For official use
		day	month	year			
<b>F13A</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>	<b>10</b>

Derivative Contracts		As at the end of the financial year		As at the end of the previous year	
		Assets	Liabilities	Assets	Liabilities
		1	2	3	4
Futures Contracts	Fixed-interest securities	11		872	3,755
	Equity Shares	12		296	
	Land	13			
	Currencies	14			
	Other	15			
Options	Fixed-interest securities	21		4,473	
	Equity Shares	22	19,625	13,373	
	Land	23			
	Currencies	24			
	Other	25			
Contracts for Differences	Fixed-interest securities	31			
	Equity Shares	32	2,412	5,487	7,475
	Land	33			
	Currencies	34		15,094	
	Other	35	3,280		289
Adjustment for margins		41			
Provision for adverse changes in value		42			
Total (11 to 42)		51	25,317	39,595	11,519

Note: Information on derivative contracts is given on pages 93 to 96.

## Long Term business liabilities and margins

Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**

Company  
registration  
number

Global/  
UK/CM

Period ended

day month year

Units

For  
official  
use

		F14	15454	GL	31	12	1995	£000	
		As at the end of the financial year		As at the end of the previous year		Source			
		1		2		Form	Line	Column	
Ordinary Long Term Business (all funds)	Mathematical reserves as shown in Schedule 4, after distribution of surplus	11	24,156,812	25,356,339	See Instruction 1 in Appendix				
	Balance of long term business funds	12	1,531	1,487	See Instruction 2 in Appendix				
	Ordinary long term business funds (11 + 12)	13	24,158,343	25,357,826	40 . 16				
	Valuation deficiencies	14							
Industrial Assurance Business	Mathematical reserves as shown in Schedule 4, after distribution of surplus	15	2,982,159	3,130,353	See Instruction 1 in Appendix				
	Balance of long term business funds	16	1,635	1,380	See Instruction 2 in Appendix				
	Industrial long term business funds (15 + 16)	17	2,983,794	3,131,733	40 . 16				
	Valuation deficiencies	18							
Other Insurance Liabilities	Claims admitted but not paid	21	87,651	114,561					
	Amounts due in respect of direct insurance and facultative reinsurance contracts accepted except amounts which must be included in line 21	31	28,190	58,689					
	Amounts due to ceding insurers and intermediaries under reinsurance treaties accepted except amounts which must be included in line 21	32		1					
	Amounts due to reinsurers and intermediaries under reinsurance contracts ceded	33	16,115	11,412					
Other Liabilities	Loans secured	41							
	Loans unsecured	42	315	762					
	Taxation *	44	884,490	708,067					
	Other creditors	47	374,188	384,071					
Excess of the value of admissible assets representing the long term business funds over the amounts of those funds		51	8,847,984	6,112,400	See Instruction 3 in Appendix				
Total (13 + 14 + 17 to 51)		59	37,381,070	35,879,522					
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	49,508	53,428					
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	620,376	2,497,262					

Instructions for completion of this form are printed in the appendix at the end of this return.

\* See note 17 of the notes to the Returns.

Note: Information on contingent liabilities is given in note 3 of the notes to the Returns.



**Liabilities (other than Long Term business)**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Company  
registration  
numberGlobal /  
UK/CM

Period ended

day month year

Units

For  
official  
use

F15	15454	GL	31	12	1995	£000	
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		As at the end of the financial year 1		As at the end of the previous year 2		Source		
						Form	Line	Column
General business technical reserves	Unearned Premiums	21	136,917	148,016	See note below			
	Additional amount for unexpired risks	22	2,746	11,107				
	Claims outstanding (less amounts recoverable from reinsurers)	23	300,646	323,701				
		24	48,343	29,379				
	Expenses for settling claims outstanding	25	10,641	9,794				
	Funds	26	105,869	129,993				
	Claims equalisation	27						
		28						
	Other	29						
Total (21 to 29)		30	605,162	651,990				
Other insurance liabilities	Amounts due in respect of direct insurance and facultative reinsurance contracts accepted except amounts which must be included in line 30	31	2,975	7,130				
	Amounts due to ceding insurers and intermediaries under reinsurance treaties accepted except amounts which must be included in line 30	32	673	722				
	Amounts due to reinsurers and intermediaries under reinsurance contracts ceded	33	3,777	3,051				
Other liabilities	Loans secured	41						
	Loans unsecured	42		113,611				
	Subordinated loan stock	43						
	Taxation	44	48,365	17,442				
	Dividends	45	250,000	150,000				
	Cumulative preference shares	46						
	Other creditors	47	370,237	175,308				
Total (30 to 47)		59	1,281,189	1,119,254				

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance

61

365,972

279,117

Note The sources are as follows:

Line 21 All forms 21.29.6 + 21.31.6  
- (22.23.3 + 22.24.3 - 22.25.3)  
Line 22 Summary form 20.23

Line 23 All forms 22.31.3+22.41.3  
Line 24 All forms 22.32.3+22.42.3

Line 25 All forms 22.21.3 + 22.22.3  
Line 26 All forms 24.42.5 + 27.46.3

Instructions for completion of this form are printed in the appendix at the end of this return.

## Statement of other income and expenditure

Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**

	Company registration number	Global / UK/CM	Period ended			Units	For official use
			day	month	year		
	<b>F16</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>
	The financial year 1	Previous year 2	Source				
			Form	Line	Column		
Transfer from (to) Long Term Business Revenue Account	11	195,651					
Transfer from (to) General Business Revenue Account Summary	12	(3,558)				20 . 79	
Investment income receivable, before deduction of tax	13	96,561				See note below	
Other income	14	61,002				See note below	
<b>Total (11 to 14)</b>	<b>19</b>	<b>349,656</b>					
Management expenses	21	2,355				See note below	
Interest payable, before deduction of tax	22	411					
Taxation, other than that applicable to long term business	23	42,095					
Dividends paid and/or recommended	24	340,000					
Other expenditure	25					See note below	
<b>Total (21 to 25)</b>	<b>29</b>	<b>384,861</b>					
<b>Excess of income over expenditure (19-29)</b>	<b>39</b>	<b>(35,205)</b>					

## Note

The amounts at lines 13, 14, 21 and 25 exclude any amounts included elsewhere in the returns.

**Long Term business: Revenue account**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Industrial Branch**

	Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use
			day	month	year					
	<b>F40</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>	<b>IB</b>	<b>1</b>	<b>0</b>
<b>Items to be shown net of reinsurance ceded</b>										
								The financial year 1	Previous financial year 2	
Premiums receivable (less rebates and refunds)							1	233,834	280,333	
Investment income receivable before deduction of tax							2	209,907	191,286	
Increase (decrease) in the value of non-linked assets brought into account							3	198,000	282,000	
Increase (decrease) in the value of linked assets							4			
Other income							5			
Total income (1 to 5)							6	641,741	753,619	
Claims payable							7	666,891	666,236	
Expenses payable							8	73,520	85,835	
Interest payable before deduction of tax							9	1,591	2,333	
Taxation							10	16,557	(7,974)	
Other expenditure							11			
Transfer to (from) statement of other income and expenditure							12	31,121	34,811	
Total expenditure (7 to 12)							13	789,680	781,241	
Increase (decrease) in fund in financial year (6 - 13)							14	(147,939)	(27,622)	
Fund brought forward							15	3,131,733	3,159,355	
Fund carried forward (14 + 15)							16	2,983,794	3,131,733	

Instructions for completion of this form are printed in the appendix at the end of this return.

- Notes: 1) The statement required by paragraph 5 of schedule 3 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended) is in note 13 of the notes to the Returns.
- 2) The principles and methods applied to apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between the different long-term funds are set out in note 1 of the notes to the Returns.
- 3) The difference between the fund carried forward at 31 December 1994 and that brought forward at 1 January 1995 is analysed in note 10 of the notes to the Returns.

**Long Term business: Revenue account**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Long term (Summary)**

	Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use
			day	month	year					
	<b>F40</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>	<b>OB</b>	<b>99</b>	<b>0</b>
<b>Items to be shown net of reinsurance ceded</b>								<b>The financial year 1</b>	<b>Previous financial year 2</b>	
Premiums receivable (less rebates and refunds)								<b>1</b>	<b>2,863,261</b>	<b>3,603,520</b>
Investment income receivable before deduction of tax								<b>2</b>	<b>1,585,018</b>	<b>1,520,243</b>
Increase (decrease) in the value of non-linked assets brought into account								<b>3</b>	<b>810,411</b>	<b>974,214</b>
Increase (decrease) in the value of linked assets								<b>4</b>	<b>94,627</b>	<b>(273,370)</b>
Other income								<b>5</b>	<b>261</b>	<b>4,615</b>
Total income (1 to 5)								<b>6</b>	<b>5,353,578</b>	<b>5,829,222</b>
Claims payable								<b>7</b>	<b>1,705,309</b>	<b>2,385,008</b>
Expenses payable								<b>8</b>	<b>525,145</b>	<b>614,589</b>
Interest payable before deduction of tax								<b>9</b>	<b>21,763</b>	<b>47,217</b>
Taxation								<b>10</b>	<b>148,313</b>	<b>101,438</b>
Other expenditure								<b>11</b>		<b>8,520</b>
Transfer to (from) statement of other income and expenditure								<b>12</b>	<b>164,530</b>	<b>155,711</b>
Total expenditure (7 to 12)								<b>13</b>	<b>2,565,060</b>	<b>3,312,483</b>
Increase (decrease) in fund in financial year (6 - 13)								<b>14</b>	<b>2,788,518</b>	<b>2,516,739</b>
Fund brought forward								<b>15</b>	<b>21,369,826</b>	<b>22,841,087</b>
Fund carried forward (14 + 15)								<b>16</b>	<b>24,158,344</b>	<b>25,357,826</b>

Instructions for completion of this form are printed in the appendix at the end of this return.

Notes: 1) The statement required by paragraph 5 of schedule 3 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended) is in note 13 of the notes to the Returns.

2) The principles and methods applied to apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between the different long-term funds are set out in note 1 of the notes to the Returns.

3) The difference between the fund carried forward at 31 December 1994 and that brought forward at 1 January 1995 is analysed in note 10 of the notes to the Returns.

**Long Term business: Revenue account**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (other)**

	Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use
			day	month	year					
	<b>F40</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>	<b>OB</b>	<b>2</b>	<b>1</b>
<b>Items to be shown net of reinsurance ceded</b>								The financial year 1	Previous financial year 2	
Premiums receivable (less rebates and refunds)							1	1,562,048	1,690,353	
Investment income receivable before deduction of tax							2	676,851	703,044	
Increase (decrease) in the value of non-linked assets brought into account							3	376,973	346,128	
Increase (decrease) in the value of linked assets							4			
Other income							5	1,064	7,528	
Total income (1 to 5)							6	2,616,936	2,747,053	
Claims payable							7	947,815	1,333,729	
Expenses payable							8	263,408	296,717	
Interest payable before deduction of tax							9	9,044	20,421	
Taxation							10	131,946	97,932	
Other expenditure							11	8,370	57,785	
Transfer to (from) statement of other income and expenditure							12	78,987	83,001	
Total expenditure (7 to 12)							13	1,439,570	1,889,585	
Increase (decrease) in fund in financial year (6 - 13)							14	1,177,366	857,468	
Fund brought forward							15	9,024,498	10,206,226	
Fund carried forward (14 + 15)							16	10,201,864	11,063,694	

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Notes: 1) The statement required by paragraph 5 of schedule 3 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended) is in note 13 of the notes to the Returns.

2) The principles and methods applied to apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between the different long-term funds are set out in note 1 of the notes to the Returns.

3) The difference between the fund carried forward at 31 December 1994 and that brought forward at 1 January 1995 is analysed in note 10 of the notes to the Returns.

**Long Term business: Revenue account**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (linked business only)**

	Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use
			day	month	year					
	<b>F40</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>	<b>OB</b>	<b>2</b>	<b>2</b>
<b>Items to be shown net of reinsurance ceded</b>								<b>The financial year 1</b>	<b>Previous financial year 2</b>	
Premiums receivable (less rebates and refunds)							<b>1</b>	<b>53,213</b>	<b>785,319</b>	
Investment income receivable before deduction of tax							<b>2</b>	<b>16,121</b>	<b>124,001</b>	
Increase (decrease) in the value of non-linked assets brought into account							<b>3</b>	<b>952</b>	<b>754</b>	
Increase (decrease) in the value of linked assets							<b>4</b>	<b>94,627</b>	<b>(273,370)</b>	
Other income							<b>5</b>	<b>8,370</b>	<b>49,025</b>	
Total income (1 to 5)							<b>6</b>	<b>173,283</b>	<b>685,729</b>	
Claims payable							<b>7</b>	<b>110,407</b>	<b>757,879</b>	
Expenses payable							<b>8</b>	<b>20,986</b>	<b>59,991</b>	
Interest payable before deduction of tax							<b>9</b>	<b>196</b>	<b>641</b>	
Taxation							<b>10</b>	<b>6,943</b>	<b>(2,404)</b>	
Other expenditure							<b>11</b>	<b>273</b>	<b>3,689</b>	
Transfer to (from) statement of other income and expenditure							<b>12</b>	<b>(880)</b>	<b>(11,858)</b>	
Total expenditure (7 to 12)							<b>13</b>	<b>137,925</b>	<b>807,938</b>	
Increase (decrease) in fund in financial year (6 - 13)							<b>14</b>	<b>35,358</b>	<b>(122,209)</b>	
Fund brought forward							<b>15</b>	<b>574,050</b>	<b>2,624,213</b>	
Fund carried forward (14 + 15)							<b>16</b>	<b>609,408</b>	<b>2,502,004</b>	

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Notes: 1) The statement required by paragraph 5 of schedule 3 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended) is in note 13 of the notes to the Returns.

2) The principles and methods applied to apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between the different long-term funds are set out in note 1 of the notes to the Returns.

3) The difference between the fund carried forward at 31 December 1994 and that brought forward at 1 January 1995 is analysed in note 10 of the notes to the Returns.

**Long Term business: Revenue account**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (long-term sickness and accident only)**

	Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use
			day	month	year					
	<b>F40</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>	<b>OB</b>	<b>2</b>	<b>3</b>
<b>Items to be shown net of reinsurance ceded</b>								<b>The financial year 1</b>	<b>Previous financial year 2</b>	
Premiums receivable (less rebates and refunds)							<b>1</b>	<b>10,948</b>	<b>32,098</b>	
Investment income receivable before deduction of tax							<b>2</b>	<b>1,658</b>	<b>4,061</b>	
Increase (decrease) in the value of non-linked assets brought into account							<b>3</b>	<b>209</b>	<b>(1,421)</b>	
Increase (decrease) in the value of linked assets							<b>4</b>			
Other income							<b>5</b>	<b>163</b>		
Total income (1 to 5)							<b>6</b>	<b>12,978</b>	<b>34,738</b>	
Claims payable							<b>7</b>	<b>3,228</b>	<b>13,770</b>	
Expenses payable							<b>8</b>	<b>5,766</b>	<b>11,629</b>	
Interest payable before deduction of tax							<b>9</b>	<b>98</b>	<b>41</b>	
Taxation							<b>10</b>	<b>(339)</b>	<b>(2,318)</b>	
Other expenditure							<b>11</b>			
Transfer to (from) statement of other income and expenditure							<b>12</b>	<b>2,055</b>	<b>8,199</b>	
Total expenditure (7 to 12)							<b>13</b>	<b>10,808</b>	<b>31,321</b>	
Increase (decrease) in fund in financial year (6 - 13)							<b>14</b>	<b>2,170</b>	<b>3,417</b>	
Fund brought forward							<b>15</b>	<b>13,978</b>	<b>31,411</b>	
Fund carried forward (14 + 15)							<b>16</b>	<b>16,148</b>	<b>34,828</b>	

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2) The principles and methods applied to apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between the different long-term funds are set out in note 1 of the notes to the Returns.

3) The difference between the fund carried forward at 31 December 1994 and that brought forward at 1 January 1995 is analysed in note 10 of the notes to the Returns.

**Long Term business: Revenue account**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (non-linked pensions business only)**

	Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use
			day	month	year					
	<b>F40</b>	<b>15454</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1995</b>	<b>£000</b>	<b>OB</b>	<b>2</b>	<b>4</b>
<b>Items to be shown net of reinsurance ceded</b>								<b>The financial year 1</b>	<b>Previous financial year 2</b>	
Premiums receivable (less rebates and refunds)							<b>1</b>	<b>1,237,052</b>	<b>1,095,750</b>	
Investment income receivable before deduction of tax							<b>2</b>	<b>890,388</b>	<b>689,137</b>	
Increase (decrease) in the value of non-linked assets brought into account							<b>3</b>	<b>432,277</b>	<b>628,753</b>	
Increase (decrease) in the value of linked assets							<b>4</b>			
Other income							<b>5</b>		<b>1,016</b>	
Total income (1 to 5)							<b>6</b>	<b>2,559,717</b>	<b>2,414,656</b>	
Claims payable							<b>7</b>	<b>643,859</b>	<b>279,630</b>	
Expenses payable							<b>8</b>	<b>234,985</b>	<b>246,252</b>	
Interest payable before deduction of tax							<b>9</b>	<b>12,425</b>	<b>26,114</b>	
Taxation							<b>10</b>	<b>9,763</b>	<b>8,228</b>	
Other expenditure							<b>11</b>	<b>693</b>		
Transfer to (from) statement of other income and expenditure							<b>12</b>	<b>84,368</b>	<b>76,369</b>	
Total expenditure (7 to 12)							<b>13</b>	<b>986,093</b>	<b>636,593</b>	
Increase (decrease) in fund in financial year (6 - 13)							<b>14</b>	<b>1,573,624</b>	<b>1,778,063</b>	
Fund brought forward							<b>15</b>	<b>11,757,300</b>	<b>9,979,237</b>	
Fund carried forward (14 + 15)							<b>16</b>	<b>13,330,924</b>	<b>11,757,300</b>	

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Notes: 1) The statement required by paragraph 5 of schedule 3 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended) is in note 13 of the notes to the Returns.

2) The principles and methods applied to apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between the different long-term funds are set out in note 1 of the notes to the Returns.

3) The difference between the fund carried forward at 31 December 1994 and that brought forward at 1 January 1995 is analysed in note 10 of the notes to the Returns.



**Long Term business: Analysis of premiums and expenses**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Industrial Branch**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use	
		F41	15454	GL	31	12	1995	£000	IB	1	0	
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1 - 2)			
					1		2		3			
Premiums receivable (less rebates and refunds) in the financial year	life assurance contracts	single premium		1								
		regular premiums		2	233,834			233,834				
	general annuity contracts	single premium		3								
		regular premiums		4								
	pension business contracts	single premium		5								
		regular premiums		6								
	permanent health contracts		7									
	capital redemption contracts		8									
	total premiums (1 to 8)		9	233,834			233,834					
	total premiums at line 9 attributable to	UK contracts		10	233,834			233,834				
Overseas contracts		11										
Expenses payable in the financial year	commission payable in connection with acquisition of business		12									
	other commission payable		13									
	management expenses in connection with acquisition of business		14									
	other management expenses		15	73,520			73,520					
	total expenses (12 to 15)		16	73,520			73,520					
	total expenses at line 16 attributable to	UK contracts		17	73,520			73,520				
		Overseas contracts		18								

Note: The amount of £233,834(000) in line 2 includes £217(000) received as additional premiums at commencement under Prusave and Young Prusaver contracts.

**Long Term business: Analysis of premiums and expenses**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Long term (Summary)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use	
		F41	15454	GL	31	12	1995	£000	OB	99	0	
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1 - 2)			
					1		2		3			
Premiums receivable (less rebates and refunds) in the financial year	life assurance contracts	single premium		1	898,634		25,982		872,652			
		regular premiums		2	735,506		2,450		733,056			
	general annuity contracts	single premium		3	1,744				1,744			
		regular premiums		4	7,877				7,877			
	pension business contracts	single premium		5	695,859		327,260		368,599			
		regular premiums		6	893,076		21,997		871,079			
	permanent health contracts			7	8,663		409		8,254			
	capital redemption contracts			8								
	total premiums (1 to 8)			9	3,241,359		378,098		2,863,261			
	total premiums at line 9 attributable to	UK contracts		10	3,088,794		375,814		2,712,980			
		Overseas contracts		11	152,565		2,284		150,281			
Expenses payable in the financial year	commission payable in connection with acquisition of business			12	47,902		3		47,899			
	other commission payable			13	10,438				10,438			
	management expenses in connection with acquisition of business			14	324,412		1,562		322,850			
	other management expenses			15	144,027		69		143,958			
	total expenses (12 to 15)			16	526,779		1,634		525,145			
	total expenses at line 16 attributable to	UK contracts		17	475,788		1,298		474,490			
		Overseas contracts		18	50,991		336		50,655			

**Long Term business: Analysis of premiums and expenses**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (other)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use	
		F41	15454	GL	31	12	1995	£000	OB	2	1	
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1 - 2)			
					1		2		3			
Premiums receivable (less rebates and refunds) in the financial year	life assurance contracts	single premium	1	862,301		(313)		862,614				
		regular premiums	2	692,262		2,449		689,813				
	general annuity contracts	single premium	3	1,744				1,744				
		regular premiums	4	7,877				7,877				
	pension business contracts	single premium	5									
		regular premiums	6									
	permanent health contracts		7									
	capital redemption contracts		8									
	total premiums (1 to 8)		9	1,564,184		2,136		1,562,048				
	total premiums at line 9 attributable to	UK contracts	10	1,440,501		149		1,440,352				
		Overseas contracts	11	123,683		1,987		121,696				
Expenses payable in the financial year	commission payable in connection with acquisition of business		12	27,431		3		27,428				
	other commission payable		13	2,479				2,479				
	management expenses in connection with acquisition of business		14	166,028		313		165,715				
	other management expenses		15	67,828		42		67,786				
	total expenses (12 to 15)		16	263,766		358		263,408				
	total expenses at line 16 attributable to	UK contracts	17	224,566		42		224,524				
		Overseas contracts	18	39,200		316		38,884				

**Long Term business: Analysis of premiums and expenses**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (linked business only)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use	
		F41	15454	GL	31	12	1995	£000	OB	2	2	
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1 - 2)			
					1	2		3				
Premiums receivable (less rebates and refunds) in the financial year	life assurance contracts	single premium			1	36,333		26,295		10,038		
		regular premiums			2	40,550		1		40,549		
	general annuity contracts	single premium			3							
		regular premiums			4							
	pension business contracts	single premium			5	19,137		16,511		2,626		
		regular premiums			6	6,872		6,872				
	permanent health contracts				7							
	capital redemption contracts				8							
	total premiums (1 to 8)				9	102,892		49,679		53,213		
	total premiums at line 9 attributable to	UK contracts			10	79,392		49,679		29,713		
		Overseas contracts			11	23,500				23,500		
Expenses payable in the financial year	commission payable in connection with acquisition of business				12	5,478				5,478		
	other commission payable				13	3,666				3,666		
	management expenses in connection with acquisition of business				14	5,909				5,909		
	other management expenses				15	5,933				5,933		
	total expenses (12 to 15)				16	20,986				20,986		
	total expenses at line 16 attributable to	UK contracts			17	12,402				12,402		
		Overseas contracts			18	8,584				8,584		

**Long Term business: Analysis of premiums and expenses**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (long-term sickness and accident only)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use
		F41	15454	GL	31	12	1995	£000	OB	2	3
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1 - 2)		
					1		2		3		
Premiums receivable (less rebates and refunds) in the financial year	life assurance contracts	single premium	1								
		regular premiums	2	2,694		2,694					
	general annuity contracts	single premium	3								
		regular premiums	4								
	pension business contracts	single premium	5								
		regular premiums	6								
	permanent health contracts		7	8,663		409		8,254			
	capital redemption contracts		8								
	total premiums (1 to 8)		9	11,357		409		10,948			
	total premiums at line 9 attributable to	UK contracts	10	5,975		112		5,863			
Overseas contracts		11	5,382		297		5,085				
Expenses payable in the financial year	commission payable in connection with acquisition of business		12	672				672			
	other commission payable		13	15				15			
	management expenses in connection with acquisition of business		14	3,631		2		3,629			
	other management expenses		15	1,477		27		1,450			
	total expenses (12 to 15)		16	5,795		29		5,766			
	total expenses at line 16 attributable to	UK contracts	17	2,588		9		2,579			
		Overseas contracts	18	3,207		20		3,187			

**Long Term business: Analysis of premiums and expenses**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (non-linked pensions business only)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use	
		F41	15454	GL	31	12	1995	£000	OB	2	4	
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1 - 2)			
					1		2		3			
Premiums receivable (less rebates and refunds) in the financial year	life assurance contracts	single premium			1							
		regular premiums			2							
	general annuity contracts	single premium			3							
		regular premiums			4							
	pension business contracts	single premium			5		676,722		310,749		365,973	
		regular premiums			6		886,204		15,125		871,079	
	permanent health contracts				7							
	capital redemption contracts				8							
	total premiums (1 to 8)				9		1,562,926		325,874		1,237,052	
	total premiums at line 9 attributable to	UK contracts			10		1,562,926		325,874		1,237,052	
		Overseas contracts			11							
Expenses payable in the financial year	commission payable in connection with acquisition of business				12		14,321				14,321	
	other commission payable				13		4,278				4,278	
	management expenses in connection with acquisition of business				14		148,844		1,247		147,597	
	other management expenses				15		68,789				68,789	
	total expenses (12 to 15)				16		236,232		1,247		234,985	
	total expenses at line 16 attributable to	UK contracts			17		236,232		1,247		234,985	
		Overseas contracts			18							

**Long Term business: Analysis of claims**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Industrial Branch**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use	
		F42	15454	GL	31	12	1995	£000	IB	1	0	
<b>Claims payable in the financial year</b>					Gross		1	Recoverable from reinsurers		2	Net of reinsurance (1 - 2)	3
<b>Life assurance contracts</b>	on death	1	144,310								144,310	
	on maturity	2	445,048								445,048	
	on surrender or partial surrender	3	77,533								77,533	
	total life assurance claims (1 to 3)	4	666,891								666,891	
<b>General annuity contracts</b>	on death	5										
	by way of lump sums on maturity	6										
	by way of periodical payments	7										
	on surrender or partial surrender	8										
	total general annuity claims (5 to 8)	9										
<b>Pension business</b>	on death	10										
	by way of lump sums on maturity	11										
	by way of periodical payments	12										
	on surrender or partial surrender	13										
	total pension business claims (10 to 13)	14										
<b>Permanent health contracts</b>	by way of lump sums	15										
	by way of periodical payments	16										
	total permanent health claims (15 + 16)	17										
<b>Capital redemption contracts</b>	by way of lump sums	18										
	by way of periodical payments	19										
	total capital redemption claims (18 + 19)	20										
<b>Total claims (4 + 9 + 14 + 17 + 20)</b>		21	666,891								666,891	
<b>Total claims at line 21 attributable to</b>	UK contracts	22	666,891								666,891	
	Overseas contracts	23										

Instructions for completion of this form are printed in the appendix at the end of this return.

**Long Term business: Analysis of claims**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Long term (Summary)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use	
		F42	15454	GL	31	12	1995	£000	OB	99	0	
Claims payable in the financial year					Gross		Recoverable from reinsurers		Net of reinsurance (1 - 2)			
					1		2		3			
Life assurance contracts	on death	1			123,510		2,546		120,964			
	on maturity	2			532,752		384		532,368			
	on surrender or partial surrender	3			408,458		15,740		392,718			
	total life assurance claims (1 to 3)	4			1,064,720		18,670		1,046,050			
General annuity contracts	on death	5			454				454			
	by way of lump sums on maturity	6			2,819				2,819			
	by way of periodical payments	7			9,176				9,176			
	on surrender or partial surrender	8			1,026				1,026			
	total general annuity claims (5 to 8)	9			13,475				13,475			
Pension business	on death	10			41,520		975		40,545			
	by way of lump sums on maturity	11			467,856		3,547		464,309			
	by way of periodical payments	12			286,845		280,110		6,735			
	on surrender or partial surrender	13			148,703		16,433		132,270			
	total pension business claims (10 to 13)	14			944,924		301,065		643,859			
Permanent health contracts	by way of lump sums	15			230		3		227			
	by way of periodical payments	16			2,086		388		1,698			
	total permanent health claims (15 + 16)	17			2,316		391		1,925			
Capital redemption contracts	by way of lump sums	18										
	by way of periodical payments	19										
	total capital redemption claims (18 + 19)	20										
Total claims (4 + 9 + 14 + 17 + 20)					21		2,025,435		320,126		1,705,309	
Total claims at line 21 attributable to	UK contracts	22			1,961,905		319,034		1,642,871			
	Overseas contracts	23			63,530		1,092		62,438			

Instructions for completion of this form are printed in the appendix at the end of this return.



**Long Term business: Analysis of claims**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (other)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use				
		F42	15454	GL	31	12	1995	£000	OB	2	1				
<b>Claims payable in the financial year</b>				Gross		1		Recoverable from reinsurers		2		Net of reinsurance (1 - 2)		3	
<b>Life assurance contracts</b>	on death	1		115,096		1,562		113,534							
	on maturity	2		491,151		384		490,767							
	on surrender or partial surrender	3		330,844		805		330,039							
	total life assurance claims (1 to 3)	4		937,091		2,751		934,340							
<b>General annuity contracts</b>	on death	5		454				454							
	by way of lump sums on maturity	6		2,819				2,819							
	by way of periodical payments	7		9,176				9,176							
	on surrender or partial surrender	8		1,026				1,026							
	total general annuity claims (5 to 8)	9		13,475				13,475							
<b>Pension business</b>	on death	10													
	by way of lump sums on maturity	11													
	by way of periodical payments	12													
	on surrender or partial surrender	13													
	total pension business claims (10 to 13)	14													
<b>Permanent health contracts</b>	by way of lump sums	15													
	by way of periodical payments	16													
	total permanent health claims (15 + 16)	17													
<b>Capital redemption contracts</b>	by way of lump sums	18													
	by way of periodical payments	19													
	total capital redemption claims (18 + 19)	20													
<b>Total claims (4 + 9 + 14 + 17 + 20)</b>		21		950,566		2,751		947,815							
<b>Total claims at line 21 attributable to</b>	UK contracts	22		901,520		1,765		899,755							
	Overseas contracts	23		49,046		986		48,060							

Instructions for completion of this form are printed in the appendix at the end of this return.

**Long Term business: Analysis of claims**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (linked business only)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use
		F42	15454	GL	31	12	1995	£000	OB	2	2
Claims payable in the financial year					Gross		Recoverable from reinsurers		Net of reinsurance (1 - 2)		
					1		2		3		
Life assurance contracts	on death	1	7,111		984		6,127				
	on maturity	2	41,601				41,601				
	on surrender or partial surrender	3	77,614		14,935		62,679				
	total life assurance claims (1 to 3)	4	126,326		15,919		110,407				
General annuity contracts	on death	5									
	by way of lump sums on maturity	6									
	by way of periodical payments	7									
	on surrender or partial surrender	8									
	total general annuity claims (5 to 8)	9									
Pension business	on death	10	65		65						
	by way of lump sums on maturity	11	1,188		1,188						
	by way of periodical payments	12									
	on surrender or partial surrender	13	9,707		9,707						
	total pension business claims (10 to 13)	14	10,960		10,960						
Permanent health contracts	by way of lump sums	15									
	by way of periodical payments	16									
	total permanent health claims (15 + 16)	17									
Capital redemption contracts	by way of lump sums	18									
	by way of periodical payments	19									
	total capital redemption claims (18 + 19)	20									
Total claims (4 + 9 + 14 + 17 + 20)		21	137,286		26,879		110,407				
Total claims at line 21 attributable to	UK contracts	22	124,004		26,879		97,125				
	Overseas contracts	23	13,282				13,282				

Instructions for completion of this form are printed in the appendix at the end of this return.

**Long Term business: Analysis of claims**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (long-term sickness and accident only)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use	
		F42	15454	GL	31	12	1995	£000	OB	2	3	
<b>Claims payable in the financial year</b>					Gross		1	Recoverable from reinsurers		2	Net of reinsurance (1 - 2)	3
<b>Life assurance contracts</b>	on death	1	1,303									
	on maturity	2										
	on surrender or partial surrender	3										
	total life assurance claims (1 to 3)	4	1,303									
<b>General annuity contracts</b>	on death	5										
	by way of lump sums on maturity	6										
	by way of periodical payments	7										
	on surrender or partial surrender	8										
	total general annuity claims (5 to 8)	9										
<b>Pension business</b>	on death	10										
	by way of lump sums on maturity	11										
	by way of periodical payments	12										
	on surrender or partial surrender	13										
	total pension business claims (10 to 13)	14										
<b>Permanent health contracts</b>	by way of lump sums	15	230						3		227	
	by way of periodical payments	16	2,086						388		1,698	
	total permanent health claims (15 + 16)	17	2,316						391		1,925	
<b>Capital redemption contracts</b>	by way of lump sums	18										
	by way of periodical payments	19										
	total capital redemption claims (18 + 19)	20										
<b>Total claims (4 + 9 + 14 + 17 + 20)</b>		21	3,619						391		3,228	
<b>Total claims at line 21 attributable to</b>	UK contracts	22	2,417						285		2,132	
	Overseas contracts	23	1,202						106		1,096	

Instructions for completion of this form are printed in the appendix at the end of this return.

**Long Term business: Analysis of claims**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Name and number of Fund **Ordinary Branch (non-linked pensions business only)**

		Company registration number	Global/ UK/CM	Period ended			Units	OB/IB	No. of Fund/ Summary	No. of part of Fund	For official use
		F42	15454	GL	31	12	1995	£000	OB	2	4
<b>Claims payable in the financial year</b>						Gross	1	Recoverable from reinsurers	2	Net of reinsurance (1 - 2)	3
<b>Life assurance contracts</b>	on death	1									
	on maturity	2									
	on surrender or partial surrender	3									
	total life assurance claims (1 to 3)	4									
<b>General annuity contracts</b>	on death	5									
	by way of lump sums on maturity	6									
	by way of periodical payments	7									
	on surrender or partial surrender	8									
	total general annuity claims (5 to 8)	9									
<b>Pension business</b>	on death	10				41,455		910		40,545	
	by way of lump sums on maturity	11				466,668		2,359		464,309	
	by way of periodical payments	12				286,845		280,110		6,735	
	on surrender or partial surrender	13				138,996		6,726		132,270	
	total pension business claims (10 to 13)	14				933,964		290,105		643,859	
<b>Permanent health contracts</b>	by way of lump sums	15									
	by way of periodical payments	16									
	total permanent health claims (15 + 16)	17									
<b>Capital redemption contracts</b>	by way of lump sums	18									
	by way of periodical payments	19									
	total capital redemption claims (18 + 19)	20									
<b>Total claims (4 + 9 + 14 + 17 + 20)</b>		21				933,964		290,105		643,859	
<b>Total claims at line 21 attributable to</b>	UK contracts	22				933,964		290,105		643,859	
	Overseas contracts	23									

Instructions for completion of this form are printed in the appendix at the end of this return.

**Long Term business: Summary of changes in ordinary long term business**

Name of company

The Prudential Assurance Company Limited

United Kingdom

Global business

Linked

Financial year ended

31st December 1995

	Life Assurance		Pensions							
	No. of contracts 1	Annual premiums 2 £000	No. of contracts 3	Annual premiums 4 £000	No. of contracts 5	Annual premiums 6	No. of contracts 7	Annual premiums 8	No. of contracts 9	Annual premiums 10
In force at beginning of year	1	190,208	48,798	15,168						
New business	2	16,725	2,423	3,034						
Net transfers and other alterations 'on'	3	121	5,686							
Total 'on' (2 + 3)	4	16,846	8,109	3,034						
Deaths	5	1,425	49	13						
Maturities	6	9,025								
Surrenders	7	13,568	1,342	234						
Forfeitures	8	14	53	28						
Conversions to paid-up policies for reduced benefits	9	203		858						
Net transfers, expiries and other alterations 'off'	10	2,110	1,675	585						
Total 'off' (5 to 10)	11	26,142	3,119	1,718						
In force at end of year (1 + 4 - 11)	12	180,912	53,788	16,484						

The basis of calculation of the numbers of contracts shown is explained in note 14 of the Notes to the Returns. The total number of Group contracts in force at 31 December 1995 was 764 covering an estimated 3,000 lives.

**Long Term business: Summary of changes in ordinary long term business**

Name of company

The Prudential Assurance Company Limited

United Kingdom

Global business

Non-Linked

Financial year ended

31st December 1995

	Life Assurance		Pensions		General Annuity		Permanent Health		Annual premiums 10
	No. of contracts 1	Annual premiums 2 £000	No. of contracts 3	Annual premiums 4 £000	No. of contracts 5	Annual premiums 6 £000	No. of contracts 7	Annual premiums 8 £000	
In force at beginning of year	1	7,698,492	2,476,171	627,776	16,327	10	69,141	2,435	
New business	2	585,538	103,123	99,129			7,169	1,162	
Net transfers and other alterations 'on'	3		11,023	4,439		1			
Total 'on' (2 + 3)	4	585,538	114,146	103,568		1	7,169	1,162	
Deaths	5	29,969	5,875	1,381	671		53	2	
Maturities	6	89,862	22,540	8,818	355	5	30	1	
Surrenders	7	132,876	9,128	3,676	37		424	5	
Forfeitures	8	41,839	37,970	9,889			1,087	76	
Conversions to paid-up policies for reduced benefits	9			66,636				2	
Net transfers, expiries and other alterations 'off'	10	349,295	6,365	437	507		5,365	395	
Total 'off' (5 to 10)	11	643,841	81,878	90,837	1,570	5	6,959	481	
In force at end of year (1 + 4 - 11)	12	7,640,189	2,508,439	640,507	14,757	6	69,351	3,116	

The basis of calculation of the numbers of contracts is explained in note 14 of the Notes to the Returns. The total number of Group contracts in force at 31 December 1995 was 52,692 covering an estimated 542,000 lives.

## Long Term business: Summary of changes in ordinary long term business

Name of company

The Prudential Assurance Company Limited

Overseas

Global business

Linked

Financial year ended

31st December 1995

	Life Assurance											
	No. of contracts 1	Annual premiums 2 £000	No. of contracts 3	Annual premiums 4	No. of contracts 5	Annual premiums 6	No. of contracts 7	Annual premiums 8	No. of contracts 9	Annual premiums 10		
In force at beginning of year	1	33,090		23,359								
New business	2	6,983		6,588								
Net transfers and other alterations 'on'	3	2,517		1,280								
Total 'on' (2 + 3)	4	9,500		7,868								
Deaths	5	93		36								
Maturities	6	105		8								
Surrenders	7	2,913		1,307								
Forfeitures	8	1,129		1,139								
Conversions to paid-up policies for reduced benefits	9			122								
Net transfers, expiries and other alterations 'off'	10	19		76								
Total 'off' (5 to 10)	11	4,259		2,688								
In force at end of year (1 + 4 - 11)	12	38,331		28,539								

The basis of calculation of the number of contracts is explained in note 14 of the Notes to the Returns. The total number of Group contracts in force at 31 December 1995 was 57 covering an estimated 1,733 lives.

**Long Term business: Summary of changes in ordinary long term business**

Name of company

The Prudential Assurance Company Limited

Global business

Overseas

Financial year ended

31st December 1995

Non-Linked

	Life Assurance		General Annuity		Permanent Health		No. of contracts		Annual premiums	
	1	2	3	4	5	6	7	8	9	10
In force at beginning of year	324,197	57,465	9,295	5,436	86,393	3,823				
New business	71,836	18,236	472	785	33,310	1,855				
Net transfers and other alterations 'on'	120	311	21	2	802	24				
Total 'on' (2 + 3)	71,956	18,547	493	787	34,112	1,879				
Deaths	890	96	47	9	11	1				
Maturities	1,626	214	104	103	6					
Surrenders	13,157	2,364	17	3	186	94				
Forfeitures	11,827	2,629	74	41	7,773	545				
Conversions to paid-up policies for reduced benefits		859		300						
Net transfers, expires and other alterations 'off'	1,383	209	13		256	(101)				
Total 'off' (5 to 10)	28,883	6,371	255	456	8,232	539				
In force at end of year (1 + 4 - 11)	367,270	69,641	9,533	5,767	112,273	5,163				

The basis of the calculation of the numbers of contracts shown is explained in note 14 of the Notes to the Returns. The total number of Group contracts in force at 31 December 1995 was 3,185 covering an estimated 104,195 lives.



**Long Term business: Summary of changes in industrial assurance business**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995****United Kingdom**

	Paying		Paid-up
	No. of policies	Annual premium £000	No. of policies
In force at beginning of year	2,930,039	264,228	5,367,358
Taken up during year - Weekly business			
Monthly business	10	40	
Converted to paid-up policies during year			48,350
<b>Total "on"</b>	<b>10</b>	<b>40</b>	<b>48,350</b>
Discontinued during year by -			
(a) Deaths	45,411		197,406
(b) Maturities	276,491		28,135
(c) Surrenders for cash	78,809		32,940
(d) Terminations by return of premiums	89		
(e) Conversions to paid-up policies for full sums assured	35,737		
(f) Conversions to paid-up policies for reduced sums assured	12,613		
(g) Forfeitures without grant of paid-up policy or cash surrender	4,314		
(h) Expiry or Discontinuance of cover under temporary benefits	65,367		10,591
<b>Total "off"</b>	<b>518,831</b>		<b>269,072</b>
In force at end of year	2,411,218	214,815	5,146,636

- Notes:**
- (1) Separate forms shall be prepared in respect of business carried on in the United Kingdom and in Northern Ireland, but information about the number of policies in force at the beginning and at the end of the year need not be given in respect of business carried on in Northern Ireland.
  - (2) Policies discontinued by return of premiums on death of assured shall be included in class (a) and not in class (d).
  - (3) Paid-up policies which are written off shall be included in class (a) in the case of whole life policies and class (b) in the case of endowments.

**Long Term business: Summary of changes in industrial assurance business**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995****Northern Ireland**

	Paying		Paid-up
	No. of policies	Annual premium £000	No. of policies
In force at beginning of year			
Taken up during year - Weekly business			
Monthly business	(27)	(4)	
Converted to paid-up policies during year			1,260
Total "on"	(27)	(4)	1,260
Discontinued during year by -			
(a) Deaths	1,376		4,309
(b) Maturities	8,951		167
(c) Surrenders for cash	3,957		1,432
(d) Terminations by return of premiums			
(e) Conversions to paid-up policies for full sums assured	783		
(f) Conversions to paid-up policies for reduced sums assured	477		
(g) Forfeitures without grant of paid-up policy or cash surrender	252		
(h) Expiry or Discontinuance of cover under temporary benefits	1,782		132
Total "off"	17,578		6,040
In force at end of year			

- Notes:**
- (1) Separate forms shall be prepared in respect of business carried on in the United Kingdom and in Northern Ireland, but information about the number of policies in force at the beginning and at the end of the year need not be given in respect of business carried on in Northern Ireland.
  - (2) Policies discontinued by return of premiums on death of assured shall be included in class (a) and not in class (d).
  - (3) Paid-up policies which are written off shall be included in class (a) in the case of whole life policies and class (b) in the case of endowments.

**Long Term business: Analysis of new ordinary long term business**

(Sheet 1)

Name of company

**The Prudential Assurance Company Limited**

Global business

Financial year ended

**31st December 1995****United Kingdom**

Type of insurance  1	Single premium contracts			Regular premium contracts		
	No. of contracts 2	Premiums 3 £000	Sums assured, annuities per annum or other measure of benefits 4 £000	No. of contracts 5	Premiums 6 £000	Sums assured, annuities per annum or other measure of benefits 7 £000
<b>LIFE ASSURANCE</b>						
<b>Non-linked contracts: With participation in Profits</b>						
1. Whole Life Assurance	351,977	853,642		84,439	37,412	41,703
2. Endowment Assurance				40,089	23,923	307,674
Sub-total	351,977	853,642		124,528	61,335	
<b>Non-linked contracts: Without participation in Profits</b>						
1. Term Assurance				109,033	8,651	1,273,384
Sub-total				109,033	8,651	
<b>Linked contracts: Without participation in Profits</b>						
1. Whole Life Assurance	16,725	28,617				
Sub-total	16,725	28,617				
<b>LIFE ASSURANCE Total</b>	<b>368,702</b>	<b>882,259</b>		<b>233,561</b>	<b>69,986</b>	
<b>PENSIONS</b>						
<b>Non-linked contracts: With participation in Profits</b>						
1. Deferred Annuity	1,443	305,841	2,025 p.a.	54,348	94,798	16,983 p.a.
2. Group Pension	169	59,791	11,692 p.a.	448	67,575	359,943 p.a.
Sub-total	1,612	365,632		54,796	162,373	

**Long Term business: Analysis of new ordinary long term business**

(Sheet 2)

Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995****United Kingdom**

Type of insurance	Single premium contracts			Regular premium contracts		
	No. of contracts	Premiums	Sums assured, annuities per annum or other measure of benefits	No. of contracts	Premiums	Sums assured, annuities per annum or other measure of benefits
1	2	3 £000	4 £000	5	6 £000	7 £000
<b>PENSIONS</b>						
<b>Non-linked contracts:</b>						
<b>Without participation in Profits</b>						
1. Term Assurance				24,584	4,331	1,187,446
2. Annuity in payment	22,748	224,699	22,289 p.a.		2,361	810,250
3. Group Life						
4. Group Annuity in Payment	7,200	70,884	6,700 p.a.			
Sub-total	29,948	295,583		24,584	6,692	
<b>Linked contracts:</b>						
<b>Without participation in Profits</b>						
1. Deferred annuity	1,261	17,743		1,162	3,034	
2. Group Pension		6,198	1,240 p.a.		100	400 p.a.
Sub-total	1,261	23,941		1,162	3,134	
<b>PENSIONS Total</b>	<b>32,821</b>	<b>685,156</b>		<b>80,542</b>	<b>172,199</b>	
<b>GENERAL ANNUITY</b>						
<b>Non-linked contracts:</b>						
<b>Without participation in Profits</b>						
1. Annuity in payment		453	57 p.a.			
Sub-total		453				
<b>GENERAL ANNUITY Total</b>		<b>453</b>				

## Long Term business: Analysis of new ordinary long term business

(Sheet 3)

Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995****United Kingdom**

Type of insurance  1	Single premium contracts			Regular premium contracts		
	No. of contracts 2	Premiums 3 £000	Sums assured, annuities per annum or other measure of benefits 4 £000	No. of contracts 5	Premiums 6 £000	Sums assured, annuities per annum or other measure of benefits 7 £000
<b>PERMANENT HEALTH</b>						
<b>Non-linked contracts:</b>						
<b>Without participation in Profits</b>						
1. Group Pension					35	3,141
2. Permanent Health Insurance				4,556	177	5,487 p.a.
3. Critical illness				2,613	985	120,274
Sub-total				7,169	1,197	
<b>PERMANENT HEALTH Total</b>				7,169	1,197	
<b>Total UNITED KINGDOM Business</b>	401,523	1,567,868		321,272	243,382	

Name of company

**The Prudential Assurance Company Limited**

## Global business

Financial year ended

**31st December 1995**

## Overseas

Type of insurance	Single premium contracts			Regular premium contracts		
	No. of contracts	Premiums	Sums assured, annuities per annum or other measure of benefits	No. of contracts	Premiums	Sums assured, annuities per annum or other measure of benefits
1	2	3 £000	4 £000	5	6 £000	7 £000
<b>LIFE ASSURANCE</b>						
<b>Non-linked contracts: With participation in Profits</b>						
1. Whole Life Assurance	219	599	2,464	23,571	10,332	721,230
2. Endowment Assurance	25	289	1,041	3,852	3,103	78,151
3. Pure Endowment		92	92		64	106
4. Group Cash Accumulation		6,210		205	3,210	
Sub-total	244	7,190		27,628	16,709	
<b>Non-linked contracts: Without participation in Profits</b>						
1. Term Assurance	159	205	12,286	22,613	2,767	1,370,686
2. Other Assurance - individual				21,397	1,970	523,711
3. Group Cash Accumulation					96	2,413
4. Group Life				358	452	241,070
5. Other Assurance - group				307	27	37,454
Sub-total	159	205		44,675	5,312	
<b>Linked contracts: Without participation in Profits</b>						
1. Individual	386	5,706	5,706	6,597	6,588	11,913
2. Group Endowment		3,462		21	967	
Sub-total	386	9,168		6,618	7,555	
<b>LIFE ASSURANCE Total</b>	<b>789</b>	<b>16,563</b>		<b>78,921</b>	<b>29,576</b>	

**Long Term business: Analysis of new ordinary long term business**

(Sheet 5)

Name of company

**The Prudential Assurance Company Limited**

Global business

Financial year ended

**31st December 1995****Overseas**

Type of insurance  1	Single premium contracts			Regular premium contracts		
	No. of contracts 2	Premiums 3 £000	Sums assured, annuities per annum or other measure of benefits 4 £000	No. of contracts 5	Premiums 6 £000	Sums assured, annuities per annum or other measure of benefits 7 £000
<b>GENERAL ANNUITY</b>						
<b>Non-linked contracts: With participation in Profits</b>						
1. Deferred Annuity	7	676	12 p.a.	400	785	428 p.a.
2. Group Pension		140	28 p.a.			
Sub-total	7	816		400	785	
<b>Non-linked contracts: Without participation in Profits</b>						
1. Annuity in payment	65	2,471	280 p.a.			
2. Group pension - Immediate					25	5,899
3. Group Life						
Sub-total	65	2,471			25	
<b>Linked contracts: Without participation in Profits</b>						
1. Deferred Annuity						
2. Annuity in payment						
Sub-total						
<b>GENERAL ANNUITY Total</b>	72	3,287		400	810	

**Long Term business: Analysis of new ordinary long term business**

(Sheet 6)

Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995****Overseas**

Type of insurance	Single premium contracts			Regular premium contracts		
	No. of contracts	Premiums	Sums assured, annuities per annum or other measure of benefits	No. of contracts	Premiums	Sums assured, annuities per annum or other measure of benefits
1	2	3 £000	4 £000	5	6 £000	7 £000
<b>PERMANENT HEALTH</b>						
Non-linked contracts: Without participation in Profits						
1. Group				43	184	62,991 & 5,029 p.a.
2. Individual	157	32	12,187	33,135	1,849	208,424 & 160,939 p.a.
3. Critical illness				18	6	932
Sub-total	157	32		33,196	2,039	
<b>PERMANENT HEALTH Total</b>	157	32		33,196	2,039	
<b>Total OVERSEAS Business</b>	1,018	19,882		112,517	32,425	
<b>TOTAL OF ALL NEW BUSINESS</b>	402,541	1,587,750		433,789	275,807	



**Long Term business: Analysis of new industrial assurance business**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995****United Kingdom**

	Whole life (including joint life)	Endowment assurance (including joint life)		
	1	2	3	4
<i>Number of new assurances</i>				
Weekly business				
Monthly business	(129)	139		
<i>Sums Assured</i>	£000	£000	£000	£000
Weekly business				
Monthly business	(614)	62 (13,910)		
<i>Annual premiums</i>	£000	£000	£000	£000
Weekly business				
Monthly business	(35)	75		

**Notes** (1) Separate forms shall be prepared in respect of business carried on in the United Kingdom and in Northern Ireland.

(2) If any table other than those shown in columns 1 and 2 (e.g. a table providing for recurring payments) is of significant amount details shall be given in column 3 with an appropriate heading. In the case of a table including a recurring payment, the sum assured on death before the date of the first recurring payment shall be shown against 'Sums Assured' above and the amount of the recurring payment shall be shown separately in brackets.

(3) The endowment sums assured represent the basic sums assured payable on death or maturity. The amount of -£13,910(000) is the additional amount payable only in the event of death as maximum income benefits and additional death benefits under family income protection plans.

(4) A further £217(000) was received as additional premiums at commencement under Prusave and Young Prusaver contracts.

**Long Term business: Analysis of new industrial assurance business**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995****Northern Ireland**

	Whole life (including joint life)	Endowment assurance (including joint life)	(See note)	Other
	1	2	3	4
<i>Number of new assurances</i>				
Weekly business				
Monthly business	(7)	(20)		
<i>Sums Assured</i>	£000	£000	£000	£000
Weekly business				
Monthly business	(34)	(39) (1,137)		
<i>Annual premiums</i>	£000	£000	£000	£000
Weekly business				
Monthly business	(2)	(2)		

**Notes** (1) Separate forms shall be prepared in respect of business carried on in the United Kingdom and in Northern Ireland.

(2) If any table other than those shown in columns 1 and 2 (e.g. a table providing for recurring payments) is of significant amount details shall be given in column 3 with an appropriate heading. In the case of a table including a recurring payment, the sum assured on death before the date of the first recurring payment shall be shown against 'Sums Assured' above and the amount of the recurring payment shall be shown separately in brackets.

(3) The endowment sums assured represent the basic sums assured paid on death or maturity. The amount -£1,137(000) is the total additional sum payable only in the event of death as maximum income benefits and additional death benefits under family income protection policies.

(4) A further £4(000) was received as additional premiums at commencement under Prusave and Young Prusaver contracts.

**Long Term business: Expected income from admissible non-linked assets**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Fund **Ordinary Long term (Summary)**

Type of asset			Value of admissible assets as shown on Form 13	Expected income from admissible assets	Yield %
			1            £000	2            £000	3
Land		1	4,023,633	364,570	9.06
Fixed interest securities	issued by, or guaranteed by, any government or public authority	2	2,398,865	202,407	7.25
	other	3	1,315,836	94,847	7.94
Variable interest securities excluding equity shares	issued by, or guaranteed by, any government or public authority except those included at line 5	4			
	issued by, or guaranteed by, any government or public authority where the capital value or interest is determined by an index of prices	5	162	4	2.47
	other	6	41,673	2,573	6.17
Equity shares		7	27,140,415	952,749	3.51
Debts fully secured on land	due more than 12 months after the end of the financial year	8	80,240	7,543	9.40
	due in 12 months or less after the end of the financial year	9	720	69	9.58
All other assets	producing income	10	830,221	56,455	6.80
	not producing income	11	893,725		
Total		12	36,725,490	1,681,217	4.53

Instructions for completion of this form are printed in the appendix at the end of this return.

**Long Term business: Analysis of admissible non-linked fixed interest securities**Name of company **The Prudential Assurance Company Limited**

Global business

Financial year ended **31st December 1995**Fund **Ordinary Long term (Summary)**

Redemption period in years			Value of admissible assets as shown on Form 13	Expected income from admissible assets	Amount payable on redemption	Gross redemption yield %
			1      £000	2      £000	3      £000	4
Issued or guaranteed by any government or public authority	one year or less	1	481,387	48,022	466,599	6.98
	more than one year but not more than five years	2	181,530	14,779	181,833	6.35
	more than five years but not more than ten years	3	982,102	79,629	896,185	7.14
	more than ten years but not more than fifteen years	4	362,650	28,611	342,415	7.71
	more than fifteen years but not more than twenty years	5	250,891	20,582	221,349	8.00
	more than twenty years but not more than twenty five years	6	89,937	7,427	88,159	8.31
	more than twenty five years	7	39,201	2,468	32,992	6.10
	irredeemable	8	11,167	889		7.96
	total (1 to 8)	9	2,398,865	202,407	2,229,532	7.25
Other	one year or less	10	50,411	2,916	51,304	7.62
	more than one year but not more than five years	11	220,768	11,076	237,401	8.31
	more than five years but not more than ten years	12	130,497	9,650	133,380	8.19
	more than ten years but not more than fifteen years	13	149,493	12,969	153,496	8.68
	more than fifteen years but not more than twenty years	14	207,109	18,029	193,436	8.70
	more than twenty years but not more than twenty five years	15	232,898	21,122	219,887	9.18
	more than twenty five years	16	110,027	9,659	99,800	8.89
	irredeemable	17	214,633	9,426		4.39
	total (10 to 17)	18	1,315,836	94,847	1,088,704	7.94

Instructions for completion of this form are printed in the appendix at the end of this return.

## OB

Financial year ended **31st December 1995**

Note: For the purpose of these Returns, the assets have been valued using the bid value of the appropriate units.

## OB

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Returns under Insurance Companies Legislation

**Long Term business: Balance sheet for internal linked funds**  
**Name of company: The Prudential Assurance Company Limited**

Global business

Fund: New Zealand Funds

Financial year ended 31st December 1995

Type of asset	Names of funds		Ordinary Fund £000	Superannuation Fund £000	Total £000
Land		1	10,774		10,774
Fixed interest securities	Government or public authority	2	18,281		18,281
	Other	3	26,812		26,812
Variable interest securities		4	66,812		66,812
Unit Trusts		5			
Mortgages on land		6	3,877		3,877
Building Society shares and deposits		7			
Deposits and loans		8	7,044		7,044
Income due or accrued		9	1,322		1,322
Cash		10	510		510
Other assets :		11	708		708
Total (1 to 11)		12	136,140		136,140
Total investment in other internal linked funds of the company		13			
Total assets (12 + 13)		14	136,140		136,140
Amount set aside for tax on capital gains not yet realised		15			
Secured loans		16			
Unsecured loans		17			
Other liabilities :		18	3,263	(9)	3,254
Total liabilities (15 to 18)		19	3,263	(9)	3,254
Net asset value (14 - 19)		20	132,877	9	132,886
Total unrealised capital gains		21	7,120		7,120

Note: For the purpose of these Returns the assets have been valued on a similar basis to that required for assets being valued in accordance with the Asset Valuation Regulations.

Type of asset	Names of funds		Prufund (UK)	Total
			£000	£000
Land		1	4,958	4,958
Fixed interest securities	Government or public authority	2	23,563	23,563
	Other	3	7,045	7,045
Variable interest securities		4	113,128	113,128
Unit Trusts		5	285,067	285,067
Mortgages on land		6		
Building Society shares and deposits		7		
Deposits and loans		8	16,235	16,235
Income due or accrued		9	1,112	1,112
Cash		10	7,520	7,520
Other assets :		11	149	149
Total (1 to 11)		12	458,777	458,777
Total investment in other internal linked funds of the company		13		
Total assets (12 + 13)		14	458,777	458,777
Amount set aside for tax on capital gains not yet realised		15	4,927	4,927
Secured loans		16		
Unsecured loans		17		
Other liabilities :		18	27,023	27,023
Total liabilities (15 to 18)		19	31,950	31,950
Net asset value (14 - 19)		20	426,827	426,827
Total unrealised capital gains		21	19,710	19,710

Note: For the purpose of these Returns the assets have been valued on a similar basis to that required for assets being valued in accordance with the Asset Valuation Regulations.



**Long Term business: Balance sheet for internal linked funds**  
**Name of company: The Prudential Assurance Company Limited**  
**Global business**

Financial year ended **31st December 1995**Fund: **World Total**

OB

Type of asset	Names of funds	Total New Zealand Funds £000	Total UK Funds £000
Land	1	10,774	4,958
Fixed interest securities	Government or public authority	2	18,281
	Other	3	26,812
Variable interest securities	4	66,812	113,128
Unit Trusts	5		285,067
Mortgages on land	6	3,877	
Building Society shares and deposits	7		
Deposits and loans	8	7,044	16,235
Income due or accrued	9	1,322	1,112
Cash	10	510	7,520
Other assets :	11	708	149
Total (*1 to 11)	12	136,140	458,777
Total investment in other internal linked funds of the company	13		
Total assets (*12 + 13)	14	136,140	458,777
Amount set aside for tax on capital gains not yet realised	15		4,927
Secured loans	16		
Unsecured loans	17		
Other liabilities :	18	3,254	27,023
Total liabilities (*15 to 18)	19	3,254	31,950
Net asset value (*14 - 19)	20	132,886	426,827
Total unrealised capital gains	21	7,120	19,710

Note: For the purpose of these Returns the assets have been valued on a similar basis to that required for assets being valued in accordance with the Asset Valuation Regulations.

**Long Term business: Balance sheet for internal linked funds**  
 Name of company **The Prudential Assurance Company Limited**  
 Global business

Financial year ended **31st December 1995**Fund: **Ordinary Long term (Summary)**

OB

Type of asset	Names of funds		Total
			£000
Land		1	15,732
Fixed interest securities	Government or public authority	2	41,844
	Other	3	33,857
Variable interest securities		4	179,940
Unit Trusts		5	285,067
Mortgages on land		6	3,877
Building Society shares and deposits		7	
Deposits and loans		8	23,279
Income due or accrued		9	2,434
Cash		10	8,030
Other assets :		11	857
Total (1 to 11)		12	594,917
Total investment in other internal linked funds of the company		13	
Total assets (12 + 13)		14	594,917
Amount set aside for tax on capital gains not yet realised		15	4,927
Secured loans		16	
Unsecured loans		17	
Other liabilities :		18	30,277
Total liabilities (15 to 18)		19	35,204
Net asset value (14 - 19)		20	559,713
Total unrealised capital gains		21	26,830

Note: For the purpose of these Returns the assets have been valued on a similar basis to that required for assets being valued in accordance with the Asset Valuation Regulations.

## Long Term business: Analysis of units in internal linked funds

(Sheet 1)

Name of company The Prudential Assurance Company Limited

Global business

Financial year ended

31st December 1995

Fund: New Zealand Funds

OB

1	Name of internal linked fund in which invested	Name of unit link	Valuation price per unit	Total number of units in force	Value of units held by each internal linked fund in each unit link of other internal linked funds						Value of units in force excluding those held by other internal linked funds (5 - 6)	
					5	£	4	6	£000	7	6	£000
1	Ordinary Fund	2										
		FIXED INT (GROWTH)	0.490084	24,141,320	11,831							11,831
		FLAGSHIP	0.688483	688,153	460							460
		IB BEAVERGROWTH	0.746363	23,557,530	17,582							17,582
		IB SQUIRRELGROWTH	0.746653	4,436,256	3,312							3,312
		IB STAGGROWTH	0.743536	8,758,346	6,512							6,512
		WP (BALGPS)	6.015844	29,907	180							180
		WP (BALGS)	5.777255	4,639,633	26,804							26,804
		WP (CAPGPS)	4.955564	391	2							2
		WP (CAPGS)	4.859494	261,738	1,369							1,369
		WP (CAPSGPS)	4.524187	12,869	58							58
		WP (CAPSGS)	4.504974	182,018	820							820
		WP (EQPGPS)	6.385008	10,264	66							66
		WP (EQPGS)	6.139301	2,332,675	14,321							14,321
		WP (IBALGPS)	4.531128	543	2							2
		WP (IBALGS)	4.511638	183,551	828							828
		WP (IGGPS)	4.512776	264	1							1
		WP (IGGS)	4.493356	184,789	830							830
		WPPS (BALGPS)	6.005167	24,817	149							149
		WPPS (BALGS)	5.797083	4,980,848	28,758							28,758
		WPPS (CAPGPS)	4.948627	1,107	5							5
		WPPS (CAPGS)	4.873905	284,253	1,385							1,385
		WPPS (CAPSGPS)	4.538804	478	2							2
		WPPS (CAPSGS)	4.517306	167,936	759							759
		WPPS (EQPGPS)	6.307338	19,282	122							122
		WPPS (EQPGS)	6.187291	2,483,474	15,316							15,316
		WPPS (IBALGPS)	4.544596	150	1							1
		WPPS (IBALGS)	4.528565	185,711	841							841

**Analysis of units in internal linked funds**  
**The Prudential Assurance Company Limited**

**The Prudential Assurance Company Limited**

31st December 1995

BO

[illegible]

**Long Term business:** Analysis of units in internal linked funds

Name of company

## Global business

Financial year ended

31st December 1995

Fund: UK Funds

[illegible]

## Returns under Insurance Companies Legislation

### Explanatory note to Form 50

In order to accommodate the necessary details on Form 50 the names of certain unit links have been abbreviated. The meaning of these abbreviations is as follows:

New Zealand Ordinary Fund	IB	=	Investor Bond
	WP	=	Wealth Portfolio
	WPPS	=	Wealth Portfolio - personal superannuation

## Returns under Insurance Companies Legislation

## Long Term business: Revenue account for internal linked funds

Name of company: The Prudential Assurance Company Limited

Global business

Financial year ended

31st December 1995

Fund: New Zealand Funds

Names of funds	Ordinary Fund		Superannuation Fund		Total	
		£000		£000		£000
Value of net creation of units	1	9,972				9,972
Investment income attributable to the fund before deduction of tax	2	5,108				5,108
Increase (decrease) in the value of investments in financial year	3	11,039				11,039
Other income:	4	8,370				8,370
Total income (1 to 4)	5	34,489				34,489
Value of net cancellation of units	6		34			34
Charges for management	7	8,498				8,498
Charges in respect of tax on investment income	8	1,827				1,827
Taxation on realised capital gains	9					
Increase (decrease) in amount set aside for tax on capital gains not yet realised	10					
Other expenditure:	11	(1,101)				(1,101)
Total expenditure (6 to 11)	12	9,224	34			9,258
Increase (decrease) in fund in the financial year (5 - 12)	13	25,265	(34)			25,231
Internal linked fund brought forward	14	107,613	43			107,656
Internal linked fund carried forward	15	132,878	9			132,887

**Long Term business: Revenue account for internal linked funds**

Name of company

**The Prudential Assurance Company Limited**

Global business

Financial year ended

**31st December 1995**

Fund: UK Funds

OB

Names of funds		Profit and (UK)	Total
		£000	£000
Value of net creation of units	1		
Investment income attributable to the fund before deduction of tax	2	14,915	14,915
Increase (decrease) in the value of investments in financial year	3	74,640	74,640
Other income:	4		
Total income (1 to 4)	5	89,555	89,555
Value of net cancellation of units	6	67,455	67,455
Charges for management	7	4,367	4,367
Charges in respect of tax on investment income	8	3,303	3,303
Taxation on realised capital gains	9	2,866	2,866
Increase (decrease) in amount set aside for tax on capital gains not yet realised	10	2,591	2,591
Other expenditure:	11	9,590	9,590
Total expenditure (6 to 11)	12	90,172	90,172
Increase (decrease) in fund in the financial year (5 - 12)	13	(617)	(617)
Internal linked fund brought forward	14	427,444	427,444
Internal linked fund carried forward	15	426,827	426,827



Returns under Insurance Companies Legislation

**Long Term business:** Revenue account for internal linked funds  
**Name of company:** The Prudential Assurance Company Limited  
**Global business:**

Fund: World Total

Financial year ended 31st December 1995

Names of funds	Total New Zealand Funds		Total UK Funds	
		£000		£000
Value of net creation of units	1	9,972		
Investment income attributable to the fund before deduction of tax	2	5,108		14,915
Increase (decrease) in the value of investments in financial year	3	11,039		74,640
Other income:	4	8,370		
Total income (1 to 4)	5	34,489		89,555
Value of net cancellation of units	6	34		67,455
Charges for management	7	8,498		4,367
Charges in respect of tax on investment income	8	1,827		3,303
Taxation on realised capital gains	9			2,866
Increase (decrease) in amount set aside for tax on capital gains not yet realised	10			2,591
Other expenditure:	11	(1,101)		9,590
Total expenditure (6 to 11)	12	9,258		90,172
Increase (decrease) in fund in the financial year (5 - 12)	13	25,231		(617)
Internal linked fund brought forward	14	107,656		427,444
Internal linked fund carried forward	15	132,887		426,827

**Long Term business:** Revenue account for internal linked funds  
 Name of company **The Prudential Assurance Company Limited**  
 Global business

Financial year ended **31st December 1995**

Fund: Ordinary Long term (Summary)

OB

Names of funds	Total	
		£000
Value of net creation of units	1	9,972
Investment income attributable to the fund before deduction of tax	2	20,023
Increase (decrease) in the value of investments in financial year	3	85,679
Other income:	4	8,370
Total income (1 to 4)	5	124,044
Value of net cancellation of units	6	67,489
Charges for management	7	12,865
Charges in respect of tax on investment income	8	5,130
Taxation on realised capital gains	9	2,866
Increase (decrease) in amount set aside for tax on capital gains not yet realised	10	2,591
Other expenditure:	11	8,489
Total expenditure (6 to 11)	12	99,430
Increase (decrease) in fund in the financial year (5 - 12)	13	24,614
Internal linked fund brought forward	14	535,100
Internal linked fund carried forward	15	559,714

**APPENDIX**

**INSTRUCTIONS FOR COMPLETION**

**OF THE FORMS**

## Instructions for completion of Form 9

1. For a composite company, the whole Form shall be completed, with entries at lines 11 and 22 being equal to the entries at lines 51 and 52 respectively.
2. For a company transacting only general business, only lines 11 to 14 and line 60 shall be completed, with the entry at line 11 being equal to the entry at Form 10 line 29.
3. For a company transacting only long term business, only lines 21 to 44 and lines 60 and 61 shall be completed, with the entry at line 22 being equal to the entry at Form 10 line 29.
4. The entry at line 23 shall be equal to the sum of lines 11 and 15 in Form 14 and the amount (if any) stated in a note to that Form in accordance with Instruction 3 to that Form.
5. The entry at line 24 shall be equal to the total of lines 21 to 47 in Form 14 and the amount of any cash bonuses stated in a note to that Form in accordance with Instruction 2 to that Form.
6. The entries at lines 60 and 61 shall not include provision for any liability to tax on capital gains referred to in paragraph 10(2) (b) of Schedule 1.

## Instructions for completion of Form 10

The entry at line 54 shall include -

- (a) cumulative preference share capital, to the extent that liabilities in respect of such capital are left out of account in accordance with regulation 23(3) of the Insurance Companies Regulations 1994; and
- (b) subordinated loan capital where, and to the extent that, the Secretary of State has, in accordance with Section 68 of the Act (power to modify Part II in relation to particular companies), directed that the company may count such capital towards its required minimum margin,

and the amounts so included shall be stated in a note.

## Instructions for the completion of Form 13

1. Long-term business: Form 13 shall be completed for the total long-term business assets of the company or branch and for each fund or group of funds for which separate assets are appropriated. The word "Total" or the name of the fund shall be shown against the heading "Category of Assets". The corresponding code box shall contain "10" for the total assets and, in the case of separate funds, code numbers allocated sequentially beginning with code "11".
2. Other than long-term business: Form 13 shall be completed in respect of the total assets of the company or branch (other than any long-term business assets) and code "1" entered in the code box "Category of Assets".

- 3 (a). In the case of the United Kingdom branch return of an external company (other than a pure reinsurer) Form 13 shall be completed for the following categories of assets -

Category	Code
Assets deposited with the Accountant General	2
Assets maintained in the United Kingdom	3
Assets maintained in the United Kingdom and the other EEA States	4

- (b). In the case of a Community branch return of a United Kingdom deposit company, Form 13 shall be completed for the following categories of assets -

Category	Code
Assets deposited with the Accountant General	2
Assets maintained in the United Kingdom and the other EEA States where business is carried on	5
Assets maintained in the United Kingdom and the other EEA States	4

4. Linked assets shall be included in lines 85 and 86 wherever appropriate and not in lines 11 to 83.
5. In line 83 "life interests, reversionary interests and similar interests in property" means those interests of the kind described in regulations 49(2) and 54 of the Insurance Companies Regulations 1994.
6. In line 87, "deduction for inadmissible assets" means the deductions pursuant to regulation 57(8C)(b) and (8E) of the Insurance Companies Regulations 1994.
7. Assets consisting of rights under a stock lending transaction shall be shown in the line appropriate to the security to which title has been transferred under the relevant agreement and not as a debt. In this Instruction, "stock lending transaction" has the same meaning as in regulation 44(1) of the Insurance Companies Regulations 1994.

## Instructions for completion of Form 13A

1. Form 13A shall be completed in respect of the total assets (other than any long-term business assets), and for the total long-term business assets, if any, of the company or branch. Form 13A shall also be completed for each fund or group of funds and each category of assets referred to in Instructions 1 and 3 to Form 13.
2. The codes specified in Instructions 1 to 3 to Form 13 shall be used as appropriate.
3. Derivative contracts used in connection with property linked long term contracts shall be excluded from Form 13A. All other derivative contracts shall be included, except for those which are assets of the company but to which regulation 55 of the Insurance Companies Regulations 1994 does not apply.
4. The derivative contracts shall be analysed according to the type of assets shown in the second column of this form that represents the principal subject of the contract.
5. All amounts in respect of assets and liabilities under derivative contracts (whether with one or more counterparties) shall be shown gross unless there is a legal right of set-off.
6. The asset value of derivative contracts shown in lines 11 to 35 of this form shall be determined in accordance with regulation 55 of the Insurance Companies Regulations 1994, but excluding any deduction for margins made in accordance with paragraph (2) of that regulation.
7. The amount of any liability under a derivative contract shall be determined in accordance with regulation 60(1) of the Insurance Companies Regulations 1994, but excluding any deduction for any margins as shall have been paid or transferred in respect of that contract.
8. The net effect of any margins paid, transferred, or received in respect of contracts included in lines 11 to 35 shall be shown at line 41.
9. The provision for adverse changes in value shown at 13A.42.2 shall be the amount determined in accordance with regulation 61 of the Insurance Companies Regulations 1994.
10. "Futures contracts", "Options" and "Contracts for Differences" have the same meaning as in Part VIII of the Insurance Companies Regulations 1994.
11. The entry at 13A.51.1 shall be shown at 13.35.1
12. The entry at 13A.51.2 shall be included in 14.47.1 or 15.47.1 as appropriate.
13. Columns 3 and 4 need not be completed where the previous financial year ended prior to 1st July 1994.

#### Instructions for completion of Form 14

1. The entries at 14.11 and 14.15 shall equal the sum of lines 9, 19, 20 and 21 of the appropriate Form 58.
2. The amount of any cash bonuses allocated but not yet paid to policy holders, as shown in 58.18, (which together with 58.25 constitutes the balance of the long term business funds) shall be stated in a note.
3. The value of admissible assets representing the long term business funds is determined by deducting from the total value of the admissible assets an amount equal to the liabilities itemised in lines 21 to 47. The amount of any additional mathematical reserves included in line 51 which have been taken into account in the actuary's certificate because the amount of the mathematical reserves determined in Schedule 4 was not calculated in all respects in relation to assets valued in accordance with Part VIII of the Insurance Companies Regulations 1994, as shown in Form 13, shall be stated in a note.



## Instructions for completion of Form 15

1. The entry at line 43 shall exclude subordinated loan capital where, and to the extent that, the Secretary of State has, in accordance with section 68 of the Insurance Companies Act 1982, directed that the company may count such capital towards its required minimum margin.
2. The entry at line 46 shall exclude liabilities in respect of cumulative preference shares, to the extent that such liabilities are left out of account in accordance with regulation 23(3) of the Insurance Companies Regulations 1994.

## Instructions for completion of Form 40

1. The entry at 40.1.1 shall be equal to 41.9.3, the entry at 40.7.1 shall be equal to 42.21.3 and the entry at 40.8.1 shall be equal to 41.16.3.
2. Where a company decides to allocate to the long term business the whole or any part of investment income and/or net capital gains arising from assets not attributable to its long term business, the amounts in question shall be shown as a transfer in line 12.
3. Where a transfer is made to the statement of other income and expenditure, the entry at 40.12.1 will show amounts which have been included in line 23 of Form 58. Transfers from or to other funds shall be included in line 5 or 11, with transfers to reserves associated with a transfer of contracts from one fund to another distinguished from other transfers.

## Instruction for completion of Form 42

In the case of industrial assurance, claims payable on survival in respect of periodical endowment benefits shall be shown separately from other claims payable on the maturity of contracts of industrial assurance.

## Instructions for completion of Form 45

### 1. Where Form 13 is for the same fund or group of funds:-

The entry at 45.1.1 shall be equal to 13.11.1  
the entry at 45.2.1 shall be equal to 13.12.1  
the entry at 45.3.1 shall be equal to 13.13.1 + 13.14.1  
+ 13.15.1  
the entry at 45.4.1 shall be equal to 13.16.1  
the entry at 45.5.1 shall be equal to 13.17.1  
the entry at 45.6.1 shall be equal to 13.18.1

the entry at 45.7.1 shall be equal to 13.21.1 + 13.22.1  
+ 13.23.1  
the entry at 45.8.1 shall be equal to 13.61.1 + part of  
13.64.1  
the entry at 45.9.1 shall be equal to 13.62.1 + part of  
13.66.1 and  
the entry at 45.12.1 shall be equal to 13.93.1 -  
(13.85.1 + 13.86.1).

2. The expected income is to be given as the amounts before deduction of tax which would be received in the next financial year on the assumptions that the assets will be held throughout that year and that the factors which affect income will remain unchanged but account shall be taken of any changes in those factors known to have occurred by the valuation date (in particular, changes of the type (a), (b), (c) or (d) denoted in regulation 69(5) of the Insurance Companies Regulations 1994). The figures shown in this Form shall be those determined before any adjustments considered necessary because of regulation 69(7).
3. Where a particular asset is required to be taken into account only to a specified extent by the application of the admissibility limits, the expected income from that asset shall be included only to the same extent.
4. The treatment of the expected income from any asset where the payment of interest is in default and the amount of interest involved shall be stated.
5. The entries at 45.2.3 and 45.3.3 shall be equal to 46.9.4 and 46.18.4 respectively; the yields to be inserted in column 3 for other categories of asset shall be the running yields. The entry at 45.12.3 shall be the weighted average of the yields in column 3, where the weight given to each asset is the value of that asset applicable for entry into column 1; assets not producing income shall be included in the calculation.
6. Where the yield in column 3 for a type of asset shown in line 4, 5, 6, 8, 9, 10 or 11 above (assumed to be zero for assets in line 11) is significantly different from the weighted average of the yields for each asset of that type determined in accordance with regulation 69(6) of the Insurance Companies Regulations 1994, then the latter yield figure shall be shown in a note to this Form. For this purpose, the weighted average of the yields means an average yield weighted by the value of each asset of that type as entered in column 1.

## Instructions for completion of Form 46

1. The gross redemption yield for each asset shall be calculated as in regulation 69(3) and (4) of the Insurance Companies Regulations 1994, leaving out of account any adjustment considered necessary because of regulation 69(7). Where a number of assets with different gross redemption yields are held, the weighted average gross redemption yield shall be calculated using as weights the value of the asset applicable for entry into column 1.
2. Where securities may be redeemed over a period at the option of the guarantor or issuer, they shall be classified on the assumption that they will be redeemed at the latest possible date or, if it is assumed that they will be redeemed at any earlier date, a note shall be provided explaining what assumption has been made.
3. 46.9.1, 46.9.2, 46.18.1 and 46.18.2 shall be equal to the values at 45.2.1, 45.2.2, 45.3.1 and 45.3.2 respectively.
4. The entries at 46.9.4 and 46.18.4 shall be the weighted average of the yields in column 4 for lines 1 to 8 and 10 to 17 respectively, where the weight given to each yield is the value shown in column 1.

#### Instructions for completion of Form 49

1. The entries at line 20 shall be the same as those at line 15 on Form 51.
2. The entry at line 12 in the Total column shall be equal to line 85 on Form 13.
3. The value of rights under derivative contracts (shown separately for asset and liability positions) held by each internal linked fund shall be stated in a note .

#### Instructions for completion of Form 50

1. The entries in column 5 for the total values of all units in force in each internal linked fund shall equal the entries in line 20 on Form 49.
2. The totals of columns 6, 7 etc shall equal the entries in line 13 on Form 49.

**Instruction for completion of Form 51**

Funds shall be entered in the same column positions on this form and on Form 49.



# **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

## **Notes to the Returns**

### **1. Apportionment of income and expenses of the long-term business**

A single pool of assets is maintained in respect of all the Company's long-term business. Income and expenses arising in relation to these assets are apportioned as follows:

- a) The investment income and investment expenses of the long-term business of the Company are apportioned between the ordinary (other), ordinary (non-linked pensions) and industrial business revenue accounts on a mean fund basis, after allowing for the specific allocation to the ordinary business of amounts relating to linked business and long-term sickness and accident business.
- b) The increase in the value of non-linked assets brought into account by way of transfer from investment and revaluation reserves and allocated to the ordinary (other), ordinary (non-linked pensions) and industrial business funds is divided amongst these funds so as to maintain reasonable compatibility in the amounts payable to the respective policyholders, after allowing for the specific allocation of amounts relating to linked business and long-term sickness and accident business.
- c) The taxation charge of the long term business of the Company is apportioned between the ordinary and industrial revenue accounts as follows:
  - i) to the extent that an element of the tax charge is capable of being directly allocated to a class of business (e.g. overseas tax arising in respect of overseas branches and agencies) then it is allocated to the appropriate revenue account;
  - ii) all other elements of the tax charge which cannot be directly allocated (e.g. the irrecoverable tax credits on UK dividends) are apportioned across the relevant revenue accounts using a mean fund basis or a derivative thereof.
- d) Expenses other than investment expenses are allocated as follows:
  - Office expenses
    - i) costs which are incurred directly for the purpose of a fund are allocated to that fund;
    - ii) costs which are incurred directly for the purpose of more than one kind of business are allocated to the respective funds by reference to the way in which office staff spend their time;

- iii) indirect costs are allocated to funds having regard to such measures as activity, business volumes or associated expenses as considered appropriate.

Field staff expenses

- i) sales related expenses are allocated to the respective funds;
- ii) fixed costs are apportioned between the funds by reference to the way in which field staff spend their time.

2. Debtors and creditors

Certain amounts shown in Forms 13, 14 and 15 have been calculated by netting amounts due to any one person against amounts due from that person.

3. Contingent liabilities

- a) No provision has been made for any liability to tax on capital gains which might arise if the Company disposed of its assets, except in the cases of
  - i) linked business, for which a provision of £34.1m (1994 £22.0m) is held in the Ordinary Long-term business fund (line 11 of Form 14);
  - ii) the provision included in line 44 of Form 14. This provision is quantified and explained in note 17 of the notes to the Returns.
- b) Under the terms of the Company's arrangements with the Prudential Group's main UK banker, the bank has a right of set-off between credit balances (other than those of long-term business funds) and all overdrawn balances of those group undertakings with similar arrangements.
- c) The Company may be required to make payments to the Investors Compensation Scheme in respect of compensation awarded to holders of personal pension policies sold by independent financial advisers. No provision has been made in the accounts because the basis of any levy and its potential amount are not known.
- d) The Company has provided guarantees totalling £1.0m (1994 £4.0m).

4. Three year business (Forms 24, 25, 34 and 35)

Aircraft, ships and goods in transit business has been allocated to underwriting years by reference to the dates on which individual contracts inceptioned.

5. Unearned premiums

On Form 21 the daily basis has been used to calculate the amount of unearned premiums.

6. Exchange rates

Foreign currency revenue transactions, assets and liabilities are translated at year end exchange rates except that certain revenue transactions are translated at rates ruling at the transaction dates.

7. Orders under Section 68, Insurance Companies Act 1982 (as amended)

- a) The Secretary of State, with the consent of the Company, issued to the Company in 1984 an Order under section 68 of the Insurance Companies Act 1982 (as amended) allowing the Company to report its business in accounting classes 8 and 10 on a three year basis, and to return the information required by Regulation 22 of The Insurance Companies (Accounts and Statements) Regulations 1983 on Forms 29, not Forms 27.
- b) The Secretary of State, on the application of the Company, issued to the Company in 1985 an Order under section 68 of the Insurance Companies Act 1982 (as amended) allowing the Company to classify fixed interest securities with options to convert to equity shares at a future date as equity shares, rather than as fixed interest securities.
- c) The Secretary of State, on the application of a related company, Prudential Holborn Pensions Limited, issued to the related company in 1989 an Order under section 68 of the Insurance Companies Act 1982 (as amended) directing that section 31(2)(c) of the Insurance Companies Act 1982 (as amended) shall not apply to the related company's reinsurance agreement with the Company.
- d) The Secretary of State, on the application of the Company, issued to the Company in 1990 an Order under section 68 of the Insurance Companies Act 1982 (as amended) allowing information relating to individual Discretionary Managed Funds to be aggregated and included in one internal linked fund under the heading Discretionary Managed Fund and to omit information relating to the number of units and unit prices in respect of those Funds.
- e) The Secretary of State, on the application of a related company, Prudential Holborn Life Limited, issued to the related company in 1991 an Order under section 68 of the Insurance Companies Act 1982 (as amended) directing that section 31(2)(c) of the Insurance Companies Act 1982 (as amended) shall not apply to the related company's reinsurance agreement with the Company.

- f) The Secretary of State, on the application of the Company, made an Order on 1 August 1992 pursuant to section 68 of the Insurance Companies Act 1982 (as amended) directing that section 31 of the Insurance Companies Act 1982 (as amended) should not apply to the Company in respect of transactions entered into by the Company with Prudential Annuities Limited pursuant to a reinsurance agreement dated 1 August 1992.
- g) The Secretary of State, on the application of the Company, issued to the Company in 1995 an Order under section 68 of the Insurance Companies Act 1982 (as amended) directing that the Company shall not be required to submit a statement of its long-term business at 31 December 1995.
- h) The Secretary of State, on the application of the Company, issued to the Company in 1996 an Order under section 68 of the Insurance Companies Act 1982 (as amended) allowing the Company to classify index-linked annuities as non-linked business.

8. Major reinsurers and cedants

The statement required by Regulations 17 and 18 of The Insurance Companies (Accounts and Statements) Regulations 1983 (as amended) is on page 210 of the Schedule 2 booklet of these Returns. The Company has no major cedants for 1995.

9. General business accounting policies and presentation of results

- a) To take account of the extended settlement period, in 1995 discounting has been applied at a rate of 5% per annum to asbestos and pollution claims provisions over a mean term of 9½ years. The effect of discounting is to reduce the claims provisions at 31 December 1995 by £22.4m (1994 £42.0m). In 1995 discounting has not been applied to certain liability claims provisions due to the restrictions imposed by the Companies Act 1985 (Insurance Companies Accounts) Regulations 1993. If the restrictions had been in force at 31 December 1994, the provisions would have been £14.8m higher. This change of basis has affected the entries for the current financial year in line 42 of Form 20 for both the summary and general liability revenue accounts. It has also distorted the run-off shown in Forms 33 for United Kingdom employers' liability and general liability risk groups and the Overseas Reconciliation for the general liability accounting class.

In addition, the expected future investment return on technical provisions of £47.5m (1994 £42.5m) has been recognised in calculating the additional closure provisions of discontinued operations. The investment income attributable to both continuing and discontinued operations has been included in line 13 of Form 16.

- b) Management expense figures exclude investment expenses. These expenses are deducted in arriving at amounts stated in respect of investment income.

10. Restatement of balances brought forward at 1 January 1995

Changes to long-term business balances brought forward at 1 January 1995 on Form 40 are analysed below:

	Ordinary Long-term (Summary) £000	Ordinary Branch (other) £000
Fund carried forward at 31 December 1994	25,357,826	11,063,694
Transfer of Australian branch	(3,079,677)	(1,191,474)
Disposal of Canadian branch	(910,460)	(893,721)
Reclassification of New Zealand business to UK basis	-	47,084
Transfer of Italian branch	(7,334)	(7,334)
Exchange movements	9,471	6,249
Fund brought forward at 1 January 1995	<u>21,369,826</u>	<u>9,024,498</u>
	Ordinary Branch (Linked business) £000	Ordinary Branch (LTSA business) £000
Fund carried forward at 31 December 1994	2,502,004	34,828
Transfer of Australian branch	(1,877,809)	(10,394)
Disposal of Canadian branch	(6,250)	(10,489)
Reclassification of New Zealand business to UK basis	(47,084)	-
Exchange movements	3,189	33
Fund brought forward at 1 January 1995	<u>574,050</u>	<u>13,978</u>

## 11. Long-term business presentation of results

### a) Profits

Profits arising from linked, long-term sickness and accident and non-linked pensions business are reported separately from other ordinary long-term business profits (except that a small amount of business with benefits in unit-linked form, indicated by a note to Form 56 of Schedule 4 to these returns, is not treated as linked business for profit reporting). Accordingly, these Returns contain separate Forms 40 for ordinary branch linked business, ordinary branch long-term sickness and accident business, ordinary branch non-linked pensions business and ordinary branch (other) business.

### b) Premiums receivable

Premiums receivable figures on Forms 40 Ordinary long-term summary and Ordinary branch (non-linked pensions business) include £200.0m (1994 £200.0m) of rebate from The Department of Social Security for people contracting out of the State Earnings Related Pension Scheme.

### c) Investment income and investment expenses

Expenses payable figures on Forms 40 exclude investment expenses, which are instead deducted in arriving at amounts stated in respect of investment income.

### d) Form 46 - basis of calculation of gross redemption yield %

Where a stock has two redemption dates and the price at the year end is greater than the early redemption value, the earlier redemption date is used to calculate the gross redemption yield.

### e) Form 42 - Industrial Branch

The amount of £445.0m in line 2 includes £nil by way of periodical endowment benefits.

### f) Change in presentation

With effect from 1 January 1995, UK pension annuities issued to policyholders electing to purchase an annuity with the maturity proceeds of a Prudential policy have been treated as new single premiums and the corresponding maturity amounts recorded as claims.

12. Analysis of 'other income' and 'other expenditure' in long-term revenue accounts

- a) The entries in line 5 ('other income') of Forms 40 for 1995 are made up as follows:

	Ordinary Branch (Linked business) £000	Ordinary Branch (Other) £000	Ordinary Branch (LTSA business) £000	Ordinary Long-term (Summary) £000
Transfer of policies between sub-funds	8,370	966	-	-
Miscellaneous	-	98	163	261
	<u>8,370</u>	<u>1,064</u>	<u>163</u>	<u>261</u>

The comparatives for 1994 are made up as follows:

	Ordinary Branch (Linked business) £000	Ordinary Branch (Other) £000	Ordinary Branch (Non-linked pensions business) £000	Ordinary Long-term (Summary) £000
Transfer of policies between sub-funds	48,856	3,082	1,016	-
Canadian fee income on external funds	102	-	-	102
Gain on sale of Canadian Branch Group savings business	67	4,081	-	4,148
Miscellaneous	-	365	-	365
	<u>49,025</u>	<u>7,528</u>	<u>1,016</u>	<u>4,615</u>

- b) The entries in line 11 ("other expenditure") of Forms 40 for 1995 are made up as follows:

	Ordinary Branch (Linked business) £000	Ordinary Branch (Other) £000	Ordinary Branch (Non-Linked pensions business) £000	Ordinary Long-term (Summary) £000
Transfer of policies between sub-funds	273	8,370	693	-
	<hr/>	<hr/>	<hr/>	<hr/>

The comparatives for 1994 are made up as follows

	Ordinary Branch (Linked business) £000	Ordinary Branch (Other) £000	Ordinary Long-term (Summary) £000
Transfer of policies between sub-funds	3,689	49,265	-
Australian local solvency reserve movement	-	(1,334)	(1,334)
Transfer of Canada Group business to Sun Life	-	7,668	7,668
Canada (1993 late audit adjustment to reserves included within 1994)	-	2,044	2,044
New Zealand miscellaneous expenses	-	142	142
	<hr/> 3,689	<hr/> 57,785	<hr/> 8,520



13. Statement on provision of management services required by paragraph 5 of Schedule 3 of The Insurance Companies (Accounts and Statements) Regulations 1983 (as amended)

- a) The Company was provided with management services throughout the year by Prudential Portfolio Managers Limited, Prudential Venture Managers Limited, Prudential Services Limited and St Helen's Trust Limited.
- b) The Company seconded employees to provide management and other services throughout the year to Prudential Pensions Limited, Prudential Holborn Life Limited, Prudential Holborn Pensions Limited, Prudential Annuities Limited, Prudential Pensions Administration Limited, Prudential Staff Pension Scheme, Hunton Park Limited, Prudential Financial Services Limited, Prudential Direct Limited, Prudential Investment Products Limited and Prudential Unitised Products Holdings Limited.

All the companies mentioned in (a) and (b) above are subsidiaries or fellow subsidiaries of the Company.

14. Forms 43, 43A, 44 and 44A - basis of calculation of numbers of contracts

In Forms 43, 43A, 44 and 44A any contract which consists of a combination of different types of insurance is treated as a number of separate contracts each dealing with one of the different types of insurance [as specified in paragraph 8(4) of schedule 3 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended)] so combined. The amounts by which the total number of contracts shown on each of the forms exceed the actual number of contracts to which the forms relate are referred to in these returns as 'attachments'.

The number of contracts shown in Forms 43 and 43A as being in force at 31 December 1995 includes the following numbers of attachments:

- a) Form 43 - United Kingdom linked business.

Life assurance	None
Pension business	None
- b) Form 43 - United Kingdom non-linked business.

Life assurance	2,748,070
General annuity	None
Pension business	489,651
Permanent health	56,836
- c) Form 43 - Overseas linked business. None

d)	Form 43 - Overseas non-linked business.	
	Life assurance	162,060
	General annuity	359
	Permanent health	105,327
	Capital redemption	None
e)	Form 43A - Industrial branch business.	
	Paying policies in force	182,224
	Paid-up policies in force	191,060
f)	Form 43A (business issued in Northern Ireland)	Not applicable

The total number of regular premium contracts shown in Forms 44 and 44A include the following numbers of temporary and permanent health benefits attached to other contracts:

i)	Form 44 United Kingdom	- 78,485 attachments
ii)	Form 44 Overseas	- 69,289 attachments
iii)	Form 44A	- None
iv)	Form 44A Northern Ireland	- None

15. Analysis of other assets and other liabilities on Forms 49

a) Other assets (line 11 of Form 49) are made up as follows:

	New Zealand Ordinary Fund £000	UK Prufund £000
Tax recoverable	-	149
Sundry debtors	708	-
	<u>708</u>	<u>149</u>

b) Other liabilities (line 18 of Form 49) are made up as follows:

	New Zealand Ordinary Fund £000	New Zealand Superannuation Fund £000	UK Prufund £000
Tax payable	1,141	-	-
Accrued expenses	-	-	401
Rental income paid in advance	-	-	50
Deemed disposal liability	-	-	26,572
Sundry creditors	2,122	(9)	-
	<u>3,263</u>	<u>(9)</u>	<u>27,023</u>

16. Analysis of other income and other expenditure on Forms 51

a) Other income (line 4 of Forms 51) is made up as follows:

	New Zealand Ordinary Fund £000
Transfers between linked and non-linked policies	<u>8,370</u>

b) Other expenditure (line 11 of Forms 51) is made up as follows:

	New Zealand Ordinary Fund £000	UK Prufund £000
Deemed disposal - tax charge	-	9,590
Due to other funds	(1,101)	-
	<u>(1,101)</u>	<u>9,590</u>

17. Capital gains tax and mismatching provisions

An amount of £882.0m (1994 £680.0m) is included in line 44, column 1, of Form 14, as a provision for potential tax on capital gains which may arise in respect of existing long term business on a realisation of assets.

An amount of £1,200.0m (1994 £400.0m) is included in line 23, column 1, of Form 9 as a provision for mismatching.

The 1995 provisions have been determined in accordance with the procedures outlined in section 5 of the Valuation Report for the Ordinary and Industrial Branches in Schedule 4 of these Returns.

18. Additional amount for unexpired risks

In preparing the Returns, provision is made for unexpired risks where, based on the position at the accounting date, anticipated claims and related expenses under existing contracts exceed the unearned premium provision carried forward, after making allowance for investment income which will be earned on assets matching the unearned premium provision and the unexpired risks provision. In accordance with the DTI market letter dated 10 February 1993, all classes where premiums are earned within one year are considered individually. In 1995, no provision was required for any of these classes (1994 £nil).

The future investment income taken into account in calculating the necessity for any provision on a class by class basis is £nil (1994 £nil), apart from motor business where the amount is £1.8m (1994 £nil).

A specific additional provision of £2.7m (1994 £11.1m) has been made in respect of mortgage guarantee business. The amount of future investment income taken into account is £nil (1994 £0.5m).

19. Discontinued general business operations

In recent years the Company ceased writing UK general insurance broker business, UK general insurance commercial business and marine business. The net costs of running off these businesses in 1995 were £29.9m after tax (1994 income of £22.8m), and have been included in the relevant forms of Schedule 2 and in Form 16. These costs have been set against the closure provision with the transfer from the provision being shown in line 14 of Form 16. The remaining pre-tax closure provision at 31 December 1995 of £16.4m (1994 £21.3m) is included within line 47 of Form 15. The associated deferred tax asset has been left out of account.

20. Restructuring of the Company's long-term business branches

With effect from 1 January 1995, the Company's Australian long-term business branch was transferred to Prudential Corporation Australia Limited, a subsidiary undertaking of the Company.

The Company's Canadian long-term business branch was effectively transferred to The Prudential Life Assurance Company of England (Canada) Limited, a subsidiary undertaking of the Company, on 1 January 1995 with formal completion of the domestication process on 28 February 1995. The subsidiary was sold on 1 March 1995 and the profit on sale of £31.1m is shown in line 14 of Form 16.

With effect from 1 January 1995, the Company cancelled a reinsurance agreement with Prudential Vita SpA, a subsidiary undertaking of the Company, under which liabilities of that company had been reassured with the Company.

21. Lending and disposal of assets

Assets lent under stocklending arrangements are valued as debts in accordance with Regulation 48 of the Insurance Companies Regulations 1994 (as amended) but are included in Form 13 as investments. The admissibility limits applied to these assets are the lower of those relating to debts and those relating to the underlying investments. Assets disposed of by the Company, but where the benefits relating to the assets and the exposure to the risks inherent in those benefits are retained by the Company, are also included in Form 13. In this case, the estimated obligations to the purchasers of the assets are included in liabilities.

22. Interest in default

Expected income of £nil (1994 £0.3m) (where the payment of interest is in default) has been excluded from Form 45.

23. Form 45 Regulation 69(6) - Yields

The yields determined in accordance with Regulation 69(6) of the Insurance Companies Regulations 1994 (as amended) differ significantly from the weighted average yields shown within Form 45 in the following cases:-

	<u>Yield</u>
Line 5	3.36%
Line 6	7.89%

# **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

## **Returns for the year ended 31 December 1995**

Statement required by Section 22B of the Insurance Companies (Accounts and Statements) Regulations 1983 as amended by Section 34 of the Insurance Companies (Accounts and Statements) Regulations 1996.

### **(a) Investment guidelines**

The investment guidelines for the use of derivative contracts for both long-term and other than long-term funds are set out below. These are fully explained in the Company's Investment Management Agreement with its fund managers and are consistent with the investment strategy.

- (i) Derivatives are used for the purpose of efficient portfolio management or to reduce risk, specific examples being to implement tactical asset allocation changes around the strategic benchmark, hedge cash flows or control the risk profile of an identified strategy.
- (ii) A number of restrictions on the use of derivatives have been agreed with the Company's fund managers and can only be overruled by agreement between the two parties:
  - all derivatives that impose obligations on the fund should be strictly covered.
  - all derivative contracts should satisfy the definition of approved under Section 55 of the Insurance Company Regulations 1994 (as amended).
  - the maximum allowable exposure to counterparties should not be exceeded.
  - only certain permitted exchanges and contracts should be used.
- (iii) The Company has used a number of derivative instruments principally exchange traded futures and options, interest rate and currency swaps, warrants and currency forwards. The Company has also used redeemable corporate bonds which have an optional redemption clause, enabling the borrower to terminate the arrangement prior to the fixed maturity date. These bonds have not been categorised as derivative contracts as the derivative element is minimal and have therefore not been reported on Form 13a. The total value of these bonds on the long-term Form 13 is £188.5m and on the other than long-term Form 13 is £1.1m.

**(b) Derivatives where exercise is unlikely**

**Long-term funds**

There are no specific guidelines for the use of contracts not reasonably likely to be exercised and the Investment Management Agreement only allows the use of derivatives for the purpose of efficient portfolio management or to reduce risk.

During 1995, a call option in one particular equity was written to reduce the Company's exposure to it without having to sell the shares. At the same time the Company increased its exposure to another equity by writing a put option to avoid having to pay the full amount of the shares. It was believed that neither of these options would be exercised and the positions were closely monitored.

**Other than long-term funds**

No such derivatives were used.

**(c) Quantification of derivatives in (b) above.**

**Long-term funds**

The total exposure at the end of the year for the put option was £4.1m and for the call option £3.1m.

**Other than long-term funds**

No such contracts were used.

**(d) Effect on Forms 13 and 45 at 31 December 1995 of exercising derivatives where it would be prudent to assume options would be exercised. Decreases are shown in brackets.**

**Long-term funds**

Form 13 Line 21 and Form 45 Line 7;	£545m
Form 13 Line 35 and Form 45 Line 11;	(£16m)
Form 13 Line 43 and Form 45 Line 10;	(£520m)

In addition the expected income on Line 10 of Form 45 would fall by £30m and Line 7 would increase by £19m.

The yield on Line 7 of Form 45 would stay the same but the yield on Line 10 would increase to 8.53%.

**Other than long-term funds**

Form 13 Line 35;	(£533,000)
Form 13 Line 43;	£533,000

- (e) **Effect on Forms 13 and 45 at 31 December 1995 of exercising all derivatives. Decreases are shown in brackets.**

**Long-term funds**

Form 13 Line 21 and Form 45 Line 7;	£693m
Form 13 Line 35 and Form 45 Line 11;	(£25m)
Form 13 Line 43 and Form 45 Line 10;	(£703m)

In addition the expected income on Line 7 of Form 45 would rise by £24m and the expected income on Form 45 Line 10 would fall by £46m.

The yield on Line 7 of Form 45 would stay the same but the yield on Line 10 would increase to 8.22%.

**Other than long-term funds**

Form 13 Line 21;	£34,000
Form 13 Line 35;	(£536,000)
Form 13 Line 43;	£497,000

- (f) **Effect on Forms 13 and 45 under the conditions noted in (d) above at any other time during the year. Decreases are shown in brackets.**

**Long-term funds**

Form 13 Line 12, Form 45 Line 2;	£227m
Form 13 Line 21, Form 45 Line 7;	£860m
Form 13 Line 35, Form 45 Line 11;	(£27m)
Form 13 Line 43, Form 45 Line 10;	(£826m)

**Other than long-term funds**

Form 13 Line 21;	£85m
Form 13 Line 35;	(£4m)
Form 13 Line 43;	(£81m)

The above figures are the maximum impact on the individual line items of exercising derivatives at any time during the year. The maximum impacts for each line will not necessarily occur on the same day.



**(g) Maximum exposure**

**Long-term funds**

The maximum loss which would have been incurred by the Company on the failure by one other person to fulfil its obligations under derivative contracts at the end of the financial year was £32m.

Under foreseeable market conditions this would increase to £62m. The maximum loss at any other time during the year would have been £41m.

**Other than long-term funds**

The maximum loss which would have been incurred by the Company on the failure by any one other person to fulfil its obligations under derivative contracts at the end of the financial year was £292,000. Under foreseeable market conditions this would increase to £342,000. The maximum loss at any other time during the year would have been £5.2m.

**(h) Derivatives not covered by paragraph 2 of Regulation 55 or by paragraph 15 of Schedule 10 to the insurance company regulations.**

During the year the Company held warrants which were traded on ISMA (International Securities Market Association) and which were not issued by approved counterparties.

**(i) Consideration for granting rights under derivative contracts**

**Long-term funds**

The total consideration received for granting rights under derivative contracts totalled £570,000.

**Other than long-term funds**

No rights were granted under derivative contracts.

# THE PRUDENTIAL ASSURANCE COMPANY LIMITED

## Returns for the year ended 31 December 1995

Statement required by Section 22 C of the Insurance Companies (Accounts and Statements) Regulations 1983.

### Additional information on shareholder controllers

We confirm that the following is a list of:

- (a) Persons who, to the knowledge of The Prudential Assurance Company Limited ("the Company"), have been, at any time during the year ended 31 December 1995, a shareholder controller of the Company; and
- (b) In the case of each person who was a shareholder controller of the Company at 31 December 1995:
  - (i) the percentage of shares he held at that time in the Company, or in another company of which the Company was a subsidiary undertaking; and
  - (ii) the percentage of the voting power which he was entitled at that time to exercise, or control the exercise of, at any general meeting of the Company, or another company of which it was a subsidiary undertaking;

in each case, either alone or with any associate or associates.

Persons who, to the knowledge of the Company, have been, at any time during the year ended 31 December 1995, a shareholder controller of the Company.  (Please show date ceased to be a shareholder controller, if applicable)	In the case of each person who was a shareholder controller of the Company at 31 December 1995:	
	The percentage of shares he held at that time in the Company, or in another company of which the Company was a subsidiary undertaking, either alone or ( <i>shown separately</i> ) with any associate or associates	The percentage of the voting power which he was entitled at that time to exercise, or control the exercise of, at any general meeting of the Company, or another company of which it was a subsidiary undertaking, either alone or ( <i>shown separately</i> ) with any associate or associates
Prudential Corporation plc, being its immediate holding company	100%	100%

## **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

### **Statement of information on the Appointed Actuary**

In paragraphs (a) - (d) below, references to 'the year' are to the year ended 31 December 1995.

The Company has made a request to the Appointed Actuary to furnish to it the particulars specified in Regulation 29(1) of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended).

The information provided is as follows:

- (a) The Appointed Actuary had an interest in 167,734 and 168,078 shares of 5p each in Prudential Corporation plc at the beginning and at the end of the year respectively.
- (b) Throughout the year the Appointed Actuary held options granted under the Prudential Executive Share Option Scheme to subscribe for shares of 5p each in Prudential Corporation plc as follows:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Exercise Dates</u>
27,000	201p	Between May 1995 and May 2002
88,000	328p	Between October 1996 and October 2003
13,000	309p	Between April 1997 and April 2004
34,000	296p	Between October 1997 and October 2004

Throughout the year the Appointed Actuary held options granted under the Prudential Savings-Related Share Option Scheme to subscribe for shares of 5p each in Prudential Corporation plc as follows:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Exercise Dates</u>
2,514	167p	Between April 1996 and October 1996
5,769	156p	Between October 1997 and April 1998
4,477	201p	Between November 1998 and May 1999
1,566	249p	Between June 2001 and December 2001

The Appointed Actuary neither exercised nor was granted any options during the year. Additionally, he had no interest in the shares in or debentures of any other group company during the year.

- (c) The aggregate amount of
- (i) any remuneration and the value of any other benefits (other than a pension or other future or contingent benefit) for services by the Appointed Actuary to the Company, and
  - (ii) any emoluments, pensions or compensation as director of the Company which are required by Part 1 of Schedule 6 to the Companies Act 1985 (as amended by the Companies Act 1989) to be included in a note to the accounts of the Company

receivable by the Appointed Actuary in respect of the year was £203,937.

Additionally, the Appointed Actuary is a member of the Prudential Staff Pension Scheme and contributions in respect of the year were paid by the Company.

- (d) The following life and general insurance policies issued by the Company subsisted throughout the year:
- (i) Six endowment assurance with-profits policies maturing between 1996 and 2013 with participating sums assured totalling £29,705 and annual premiums of £1,730.
  - (ii) Three temporary assurance without-profits policies expiring between 2005 and 2014 with sums assured totalling £122,395 and annual premiums of £326.
  - (iii) A home insurance policy covering buildings, household contents and personal effects with an annual premium of £338.
  - (iv) Two motor insurance policies with a total annual premium of £877.

# **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

## **Directors' Certificate**

We certify -

1. in relation to the part of this return comprising Forms 9 to 16, 20 to 29, 31 to 36 and 40 to 51:-
  - a) that for the purposes of preparing the return, (i) proper accounts and records have been maintained and adequate information has been obtained by the Company, and (ii) an appropriate system of control has been established and maintained by the Company over its transactions and records;
  - b) that the value shown for each category of asset has been determined in conformity with Regulation 4 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended) and includes the value of only such assets or such parts thereof as are permitted to be taken into account;
  - c) that the amount shown for each category of liability (including contingent and prospective liabilities) has been determined in conformity with Regulation 4 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended);
  - d) that in respect of the Company's business which is not excluded by Regulation 32 of the Insurance Companies Regulations 1994 (as amended), the assets held at 31 December 1995 enabled the Company to comply with Regulations 27 to 31 (matching and localisation) of those Regulations; and
  - e) that the value of the Company's assets and the amount of its liabilities have been determined in accordance with paragraph 2(b) of Regulation 4 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended).
2. in relation to the part of this return comprising the statements required by Regulations 17, 18 and 19 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended), that for the purposes of preparing the statements:-
  - a) proper accounts and records have been maintained and, as necessary, reasonable enquiries have been made by the Company for the purpose of finding whether any person and any body corporate are connected for the purposes of Regulations 17(1)(b) and (2), 18(b) and 19(1)(b) and (2) of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended), and
  - b) an appropriate system of control has been established and maintained by the Company over its transactions and records.

3. in relation to the statement required by Regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended):-
  - a) that for the purpose of preparing the statement, proper accounts and records have been maintained; and
  - b) that the information given has been ascertained in conformity with that Regulation.
- 4(a). in respect of the Company's long term business:-
  - (i) that immediately following 31 December 1995 the amount of the Company's required minimum margin was as shown in Form 9; and
  - (ii) at 31 December 1995 the amount of the Company's available assets and quantifiable contingent liabilities (other than those included in Form 14 in accordance with paragraph 10(1) of Schedule 1 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended)) were as shown in Form 9, and that no items were admitted as implicit items in accordance with Regulation 23(5) of the Insurance Companies Regulations 1994 (as amended).
- 4(b). in respect of the Company's general business:-
  - (i) that immediately following 31 December 1995 the amount of the Company's required minimum margin was as shown in Form 9; and
  - (ii) at 31 December 1995 the amount of the Company's available assets and quantifiable contingent liabilities (other than those included in Form 15 in accordance with paragraph 10(1) of Schedule 1 of the Insurance Companies (Accounts and Statements) Regulations 1983 (as amended)) were as shown in Form 9, and that no items were admitted as implicit items in accordance with Regulation 23(5) of the Insurance Companies Regulations 1994 (as amended).
5. that all premiums and considerations receivable in respect of general business accounted for over periods of longer than twelve months in relation to which separate provision is not made for unearned premiums and claims outstanding have been retained in the funds of the accounts subject only to:-
  - a) the discharge of liabilities (including expenses) proper to the execution of that business, and
  - b) the transfer of any profits after the closing of the account at the end of the appropriate accounting period,

and that any shortfall of any fund below the amount which is estimated to be required to meet outstanding liabilities (net of reinsurance and other recoveries) has been made good by transfers into the fund.

6. a) that the requirements of sections 28 to 31 of the Insurance Companies Act 1982 (as amended) have been fully complied with and in particular that, subject to the provisions of section 29(2) to (4) and section 30 of the Insurance Companies Act 1982 (as amended), assets attributable to long term business, the income arising therefrom, the proceeds of any realisation of such assets and any other income or proceeds allocated to the long term business funds have not been applied otherwise than for the purpose of the long term business;
- b) that any amount payable from or receivable by the long term business funds in respect of services rendered by or to any other business carried on by the Company or by a person who, for the purposes of section 31 of the Insurance Companies Act 1982 (as amended), is connected with it or is a subordinate company of it has been determined and where appropriate apportioned on terms which are believed to be no less than fair to those funds, and any exchange of assets representing such funds for other assets of the Company has been made at fair market value;
- c) that no guarantees have been given by the Company of the performance by a related company of a contract binding on the related company which would fall to be met by any long term business fund;
- d) that the returns in respect of long term business are not distorted by agreements with any other company carrying on insurance business with which the Company has financial, commercial or administrative links or by any arrangements which could affect the apportionment of the expenses and income;
- e) that the Company has fully complied with the requirements of section 31A of the Insurance Companies Act 1982 (as amended);
- f) that in accordance with paragraph 6A of the Insurance Companies (Accounts and Statements) (Amendment) Regulations 1994 this annual return complies with the following DTI Prudential Guidance Notes:

1994/7	Valuation of assets regulations
1995/2	Reporting of the use of derivatives
1995/3	Use of derivative contracts in insurance funds

In addition, at 31 December 1995, a system of control was in place which complies with, and it is reasonable to believe, will continue to comply with, Prudential Guidance Note 1994/6, Guidance on systems of control over the investments (and counterparty exposure) of insurance companies, with particular reference to derivatives.

P J Davis  
DIRECTOR

J W Bloomer  
DIRECTOR

P R Rawson  
SECRETARY

25 June 1996



## **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

### **Report of the Auditors to the Secretary of State for Trade & Industry Pursuant to Regulation 27 of the Insurance Companies (Accounts and Statements) Regulations 1983**

#### **Global Business**

#### **Financial year ended 31 December 1995**

We have audited the documents prepared by the Company pursuant to Section 17 of the Insurance Companies Act 1982 ("the Act") which are required to be audited by Regulation 27 of the Insurance Companies (Accounts and Statements) Regulations 1983 ("the Regulations"). These comprise Forms 9 to 16, 20 to 29, 31 to 36 and 40 to 51, the statement furnished pursuant to Regulation 17 on page 210 of the Schedule 2 booklet, the notes on pages 80 to 92, which include the statement furnished pursuant to Regulation 19, the statement furnished pursuant to Regulation 22B on pages 93 to 96 and the certificate signed in accordance with Regulation 26(a) on pages 100 to 103. In the case of the certificate, our audit did not extend to paragraph 3 prescribed by Part 1 of Schedule 6 to the Regulations, and was restricted in respect of paragraph 2 to the statements made in relation to information furnished pursuant to Regulations 17 and 19.

#### **Respective Responsibilities of the Company and its Auditors**

The Company is responsible for the preparation of returns under the provisions of the Act and the Regulations as modified by Orders issued by the Secretary of State detailed in note 7 of the notes to the returns. It is our responsibility to form an independent opinion, based on our audit, on those parts of the returns which are subject to audit by reason of Regulation 27 and to report our opinion to you.

#### **Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the documents specified by Regulation 27. It also includes an assessment of the significant estimates and judgements by the company in the preparation of the documents specified by Regulation 27.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the documents specified by Regulation 27 are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated whether the documents had been prepared in the manner specified by the Regulations (as modified) and fairly stated the information provided on the basis required.

In giving our opinion we have relied on:

- (a) the certificate of the actuary on page 106 with respect to the mathematical reserves and the required minimum margin; and
- (b) the identity and value of implicit items as they have been admitted in accordance with Regulation 23 (5) of the Insurance Companies Regulations 1994.

In our opinion:

- (a) the Forms, statements and notes have been properly prepared in accordance with the provisions of the aforesaid Regulations (as modified); and
- (b) according to the information and explanations received by us:
  - (i) the certificate has been properly prepared in accordance with the provisions of the Regulations; and
  - (ii) it was reasonable for the persons giving the certificate to have made the statements therein.

Price Waterhouse  
Chartered Accountants  
and Registered Auditors  
Southwark Towers  
32 London Bridge Street  
London SE1 9SY

25 June 1996

# **THE PRUDENTIAL ASSURANCE COMPANY LIMITED**

## **Appointed Actuary's Certificate**

I certify that:

- (a)
  - (i) in my opinion proper records have been kept by the Company adequate for the purpose of the valuation of the liabilities of its long term business;
  - (ii) the mathematical reserves as shown in Form 14, together with a provision of £1,200.0m for mismatching (such provision being part of the excess of the value of admissible assets representing the long-term business funds over the amounts of those funds shown in that Form) and a provision of £882.0m for potential tax on capital gains as mentioned in note 17 of the notes to the Returns, constitute proper provision at 31 December 1995 for the liabilities (other than liabilities which had fallen due before 31 December 1995) arising under or in connection with contracts for long-term business including the increase in those liabilities arising from the distribution of surplus as a result of the investigation as at 31 December 1995 into the financial condition of the long-term business;
  - (iii) for the purposes of sub-paragraph (ii) above the liabilities have been assessed in accordance with Part IX of The Insurance Companies Regulations 1994 (as amended) in the context of assets valued in accordance with Part VIII of those Regulations, as shown in Form 13;
  - (iv) the valuation complies with the guidance notes "Actuaries and Long-term Insurance Business (GN1)" and "Additional Guidance for Appointed Actuaries (GN8)", issued by the Institute of Actuaries and the Faculty of Actuaries and dated 30 December 1994;
  - (v) in my opinion, premiums for contracts entered into during the financial year and the income earned thereon are sufficient, on reasonable actuarial assumptions, and taking into account the other financial resources of the Company that are available for the purpose, to enable the Company to meet its commitments in respect of those contracts and, in particular, to establish adequate mathematical reserves; and
- (b) the amount of the required minimum margin applicable to the Company's long-term business immediately following 31 December 1995 (including the amount resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of the long-term business) is £1,246,206,000.

25 June 1996

P J Nowell  
Appointed Actuary