

## Statement of solvency

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

R9	Company registration number 71805	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	1999	
		As at the end of this financial year	As at the end of the previous year		Source	
		1	2		Form	Line
					Column	

## GENERAL BUSINESS

## Available assets

Other than long term business assets allocated towards general business required minimum margin	11			See instructions 1 and 2
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## Required minimum margin

Required minimum margin for general business	12			12 . 49
Excess (deficiency) of available assets over the required minimum margin (11-12)	13			

## LONG TERM BUSINESS

## Available assets

Long term business admissible assets	21	2336719	2210450	10 . 11
Other than long term business assets allocated towards long term business required minimum margin	22			See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23	1546108	1500266	See instruction 4
Other insurance and non-insurance liabilities	24	94415	101454	See instruction 5
Available assets for long term business required minimum margin (21+22-23-24)	25	696196	608730	

## 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	696196	608730	
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## Required minimum margin

Required minimum margin for long term business	41	184927	168205	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	30821	28034	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	665375	580696	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	511269	440525	

## CONTINGENT LIABILITIES

Quantifiable contingent liabilities in respect of other than long term business as shown in a supplementary note to Form 15	51			See instruction 6
Quantifiable contingent liabilities in respect of long term business as shown in a supplementary note to Form 14	52			See instruction 6

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**Covering sheet to Form 9**

Name of company      **Phoenix Assurance Plc**

Global business

Financial year ended      **31st December 1999**

..... **G S PATER**      **DIRECTOR**

..... **R E K GREENFIELD**      **DIRECTOR**

..... **P S EGAN**      **DIRECTOR**

**23 June 2000**

## Statement of net assets

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

	R10	71805	GL	31	12	1999	£000
		As at the end of this financial year 1		As at the end of the previous year 2		Source	
						Form	Line
							Column
Long term business - admissible assets	11	2336719		2210450		13 . 89 . 1	
Long term business - liabilities and margins	12	2336719		2210450		14 . 59 . 1	

Other than Long term business - admissible assets	21					13 . 89 . 1	
Other than Long term business - liabilities	22					15 . 69 . 1	
Net admissible assets (21-22)	23						
Other assets allowed to be taken into account in covering the required minimum margin	Unpaid amounts (including share premium) on partly paid shares	24					
	Supplementary contributions for a mutual carrying on general business	25					
Liabilities allowed to be left out of account in covering the required minimum margin	Subordinated loan capital	26					
	Cumulative preference share capital	27					
Available assets (23 to 27)	29						

## Represented by:

Paid up share capital (other than cumulative preference share capital)	51				
Amounts included in lines 24 to 27 above	52				
Amounts representing the balance of net assets	56				
Total (51 to 56) and equal to line 29 above	59				

## Movement of balance of net assets for solvency purposes - as per line 56

Balance brought forward at the beginning of the financial year	61				10 . 56 . 2
Retained profit/(loss) for the financial year	62				16 . 59 . 1
Movement in asset valuation differences	63				See instruction 2
Decrease/(increase) in the provision for adverse changes	64				See instruction 3
Other movements (particulars to be specified by way of supplementary note)	65				
Balance carried forward at the end of the financial year (61 to 65)	69				

## Analysis of admissible assets

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**Category of assets **Total long term business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	71805	GL	31	12	1999	£000	10
Investments						As at the end of this financial year 1		As at the end of the previous year 2		
Land and buildings						11	75649		77009	
Investments in group undertakings and participating interests	UK insurance dependants	Shares	21							
		Debt securities issued by, and loans to, dependants	22							
	Other insurance dependants	Shares	23							
		Debt securities issued by, and loans to, dependants	24							
	Non-insurance dependants	Shares	25	13163		11945				
		Debt securities issued by, and loans to, dependants	26							
	Other group undertakings and participating interests	Shares	27							
		Debt securities issued by, and loans to, group undertakings	28							
		Participating interests	29							
Debt securities issued by, and loans to, undertakings in which the company has a participating interest		30								
Total sheet 1 (11 to 30)						39	88812		88954	

**Analysis of admissible assets**Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	71805	GL	31	12	1999	£000	10
Investments (continued)					As at the end of this financial year 1		As at the end of the previous year 2		
Deposits with ceding undertakings									
Assets held to cover linked liabilities									
Other financial investments	Equity shares			41	1270502		1104781		
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43	94228		72446		
	Rights under derivative contracts			44	12054		10314		
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	453650		547918		
			Other	46	196985		168959		
		Variable interest	Approved securities	47	13098		13154		
			Other	48	4080		8484		
	Participation in investment pools			49					
	Loans secured by mortgages			50	2103		2170		
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52	680		867		
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54					
		Withdrawal subject to a time restriction of more than one month		55	625		474		
	Other			56					
Deposits with ceding undertakings				57	34921		32184		
Assets held to match linked liabilities	Index linked			58	103130		101046		
	Property linked			59	31283		30467		
Reinsurers' share of technical provisions	Provision for unearned premiums			60					
	Claims outstanding			61					
	Provision for unexpired risks			62					
	Other			63					
Total sheet 2 (41 to 63)				69	2217339		2093264		

**Analysis of admissible assets**Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	71805	GL	31	12	1999	£000	10
Debtors					As at the end of this financial year 1		As at the end of the previous year 2		
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71	6976		2598		
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74	51		903		
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75	2232				
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76	145		202		
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78	9235		8088		
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81					
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84	11929		16441		
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	30568		28232		
Grand total of admissible assets (39+69+88)				89	2336719		2210450		
Reconciliation to asset values determined in accordance with the shareholder accounts rules									
Total admissible assets (as per line 89 above)				91	2336719		2210450		
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)				92					
Solvency margin deduction for insurance dependants				93					
Other differences in the valuation of assets (other than for assets not valued above)				94	5617		9571		
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)				95					
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				99	2342336		2220021		
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100	1824		3170		

## Long term business liabilities and margins

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R14	71805	GL	31	12	1999	£000	10	
				As at the end of this financial year 1	As at the end of the previous year 2		Source			
Mathematical reserves, after distribution of surplus		11	1466108	1416266	See Instruction 2					
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12			See Instruction 3					
Balance of surplus/(valuation deficit)		13	1000	1000	See Instruction 4					
Long term business fund carried forward (11 to 13)		14	1467108	1417266	See Instruction 5					
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	11523	8370						
	Reinsurers' share	16								
	Net (15-16)	17	11523	8370						
Provisions for other risks and charges	Taxation	21	672	1278						
	Other	22	4017	674						
Deposits received from reinsurers		23								
Creditors and other liabilities	Arising out of insurance operations	Direct business	31	2063	1631					
		Reinsurance accepted	32	215	4016					
		Reinsurance ceded	33	1928	266					
	Debenture loans	Secured	34							
		Unsecured	35							
	Amounts owed to credit institutions		36	28	429					
	Other creditors	Taxation	37	21430	23815					
		Other	38	50627	58879					
Accruals and deferred income		39	1912	2096						
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)		41								
Total other insurance and non-insurance liabilities (17 to 41)		49	94415	101454						
Excess of the value of net admissible assets		51	775196	691730	See Instruction 6					
Total liabilities and margins		59	2336719	2210450						
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	7281	33529						
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	33061	33861						
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63	80000	84000	See Instruction 7					

## Long term business liabilities and margins

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**Category of assets **Participation**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R14	71805	GL	31	12	1999	£000	11
				As at the end of this financial year 1	As at the end of the previous year 2		Source		
Mathematical reserves, after distribution of surplus		11	209607	178127	See Instruction 2				
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12			See Instruction 3				
Balance of surplus/(valuation deficit)		13	500	500	See Instruction 4				
Long term business fund carried forward (11 to 13)		14	210107	178627	See Instruction 5				
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	1097	2367					
	Reinsurers' share	16							
	Net (15-16)	17	1097	2367					
Provisions for other risks and charges	Taxation	21		124					
	Other	22							
Deposits received from reinsurers		23							
Creditors and other liabilities	Arising out of insurance operations	Direct business	31	3					
		Reinsurance accepted	32						
		Reinsurance ceded	33						
	Debenture loans	Secured	34						
		Unsecured	35						
	Amounts owed to credit institutions		36	12	116				
	Other creditors	Taxation	37	811	1036				
		Other	38	11402	16184				
Accruals and deferred income		39	610	583					
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)		41							
Total other insurance and non-insurance liabilities (17 to 41)		49	13932	20413					
Excess of the value of net admissible assets		51	292994	235767	See Instruction 6				
Total liabilities and margins		59	517033	434807					
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	1749	13544					
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62							
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63	3972	2994	See Instruction 7				



## Long term business liabilities and margins

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**Category of assets **Non-participation**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R14	71805	GL	31	12	1999	£000	12
				As at the end of this financial year 1	As at the end of the previous year 2		Source		
Mathematical reserves, after distribution of surplus		11	1256501	1238139	See Instruction 2				
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12			See Instruction 3				
Balance of surplus/(valuation deficit)		13	500	500	See Instruction 4				
Long term business fund carried forward (11 to 13)		14	1257001	1238639	See Instruction 5				
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	10426	6003					
	Reinsurers' share	16							
	Net (15-16)	17	10426	6003					
Provisions for other risks and charges	Taxation	21	672	1154					
	Other	22	4017	674					
Deposits received from reinsurers		23							
Creditors and other liabilities	Arising out of insurance operations	Direct business	31	2063	1628				
		Reinsurance accepted	32	215	4016				
		Reinsurance ceded	33	1928	266				
	Debenture loans	Secured	34						
		Unsecured	35						
	Amounts owed to credit institutions		36	16	313				
	Other creditors	Taxation	37	20619	22779				
		Other	38	39225	42695				
Accruals and deferred income		39	1302	1513					
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)		41							
Total other insurance and non-insurance liabilities (17 to 41)		49	80483	81041					
Excess of the value of net admissible assets		51	482202	455963	See Instruction 6				
Total liabilities and margins		59	1819686	1775643					
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	5532	19985					
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	33061	33861					
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63	76028	81006	See Instruction 7				

**Analysis of derivative contracts**Name of company **Phoenix Assurance Plc**

Global business

Business **Long term**Financial year ended **31st December 1999**Category of assets **Total long term business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R17	71805	GL	31	12	1999	£000	10
			As at the end of this financial year				As at the end of the previous year			
Derivative contracts			Assets 1	Liabilities 2	Assets 3	Liabilities 4				
Futures contracts	Fixed-interest securities	11								
	Equity shares	12								
	Land	13								
	Currencies	14	197			747				
	Other	15								
Options	Fixed-interest securities	21								
	Equity shares	22	12985			10541				
	Land	23								
	Currencies	24								
	Other	25								
Contracts for differences	Fixed-interest securities	31		315					469	
	Equity shares	32								
	Land	33								
	Currencies	34								
	Other	35								
Adjustments for variation margin		41	(1128)				(974)			
Total (11 to 41)		49	12054		315		10314			469

**Long term business : Revenue account**Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Summary**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
			day	month	year					
	R40	71805	GL	31	12	1999	£000	OB	99	0
Items to be shown net of reinsurance ceded							The financial year 1	Previous year 2		
Earned premiums							11	249957	223111	
Investment income receivable before deduction of tax							12	89418	99510	
Increase (decrease) in the value of non-linked assets brought into account							13	93163	95751	
Increase (decrease) in the value of linked assets							14	22499	19808	
Other income							15			
Total income (11 to 15)							19	455037	438180	
Claims incurred							21	293448	247605	
Expenses payable							22	57704	47635	
Interest payable before deduction of tax							23	1614	2041	
Taxation							24	457	9020	
Other expenditure							25	3472		
Transfer to (from) non technical account							26	48500	42420	
Total expenditure (21 to 26)							29	405195	348721	
Increase (decrease) in fund in financial year (19-29)							39	49842	89459	
Fund brought forward							49	1417266	1327807	
Fund carried forward (39+49)							59	1467108	1417266	

**Long term business : Revenue account**Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Participation 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
			day	month	year					
	R40	71805	GL	31	12	1999	£000	OB	1	1
Items to be shown net of reinsurance ceded							The financial year 1	Previous year 2		
Earned premiums							11	44132	43377	
Investment income receivable before deduction of tax							12	14982	14785	
Increase (decrease) in the value of non-linked assets brought into account							13	(44)	(2829)	
Increase (decrease) in the value of linked assets							14			
Other income							15			
Total income (11 to 15)							19	59070	55333	
Claims incurred							21	25589	41866	
Expenses payable							22	1713	1456	
Interest payable before deduction of tax							23	18	53	
Taxation							24	270	2238	
Other expenditure							25			
Transfer to (from) non technical account							26			
Total expenditure (21 to 26)							29	27590	45613	
Increase (decrease) in fund in financial year (19-29)							39	31480	9720	
Fund brought forward							49	178627	168907	
Fund carried forward (39+49)							59	210107	178627	

**Long term business : Revenue account**Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Non-participation 1**

Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		day	month	year					
R40	71805	GL	31	12	1999	£000	OB	1	2
Items to be shown net of reinsurance ceded						The financial year 1	Previous year 2		
Earned premiums						11	205825	179734	
Investment income receivable before deduction of tax						12	74436	84725	
Increase (decrease) in the value of non-linked assets brought into account						13	93207	98580	
Increase (decrease) in the value of linked assets						14	22499	19808	
Other income						15			
Total income (11 to 15)						19	395967	382847	
Claims incurred						21	267859	205739	
Expenses payable						22	55991	46179	
Interest payable before deduction of tax						23	1596	1988	
Taxation						24	187	6782	
Other expenditure						25	3472		
Transfer to (from) non technical account						26	48500	42420	
Total expenditure (21 to 26)						29	377605	303108	
Increase (decrease) in fund in financial year (19-29)						39	18362	79739	
Fund brought forward						49	1238639	1158900	
Fund carried forward (39+49)						59	1257001	1238639	

**Long term business : Analysis of premiums and expenses**Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Summary**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R41	71805	GL	31	12	1999	£000	OB	99	0
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1-2)		
					1		2		3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium		11	661				661		
		Regular premium		12	46048		3248		42800		
	Pension business contracts	Single premium		13	41684				41684		
		Regular premium		14	111107		4826		106281		
	Permanent health contracts	Single premium		15							
		Regular premium		16	74206		15675		58531		
	Other contracts	Single premium		17							
		Regular premium		18							
	Total premiums	Single premium		19	42345				42345		
		Regular premium		29	231361		23749		207612		
Total premiums at lines 19 and 29 attributable to	UK contracts		31	268456		23729		244727			
	Overseas contracts		32	5250		20		5230			
Expenses payable in the financial year	Commission payable in connection with acquisition of business			41	11095		(1463)		12558		
	Other commission payable			42	10710		2020		8690		
	Management expenses in connection with acquisition of business			43	26192				26192		
	Management expenses in connection with maintenance of business			44	10264				10264		
	Other management expenses			45							
	Total expenses (41 to 45)			49	58261		557		57704		
	Total expenses at line 49 attributable to	UK contracts		51	57553		556		56997		
		Overseas contracts		52	708		1		707		

## Long term business : Analysis of premiums and expenses

Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Participation 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R41	71805	GL	31	12	1999	£000	OB	1	1
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1-2)		
					1		2		3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	11								
		Regular premium	12	1966		54		1912			
	Pension business contracts	Single premium	13	35253				35253			
		Regular premium	14	6967				6967			
	Permanent health contracts	Single premium	15								
		Regular premium	16								
	Other contracts	Single premium	17								
		Regular premium	18								
	Total premiums	Single premium	19	35253				35253			
		Regular premium	29	8933		54		8879			
Total premiums at lines 19 and 29 attributable to	UK contracts	31	44177		54		44123				
	Overseas contracts	32	9				9				
Expenses payable in the financial year	Commission payable in connection with acquisition of business		41	32				32			
	Other commission payable		42	6		1		5			
	Management expenses in connection with acquisition of business		43								
	Management expenses in connection with maintenance of business		44	1676				1676			
	Other management expenses		45								
	Total expenses (41 to 45)		49	1714		1		1713			
	Total expenses at line 49 attributable to	UK contracts	51	1714		1		1713			
		Overseas contracts	52								

**Long term business : Analysis of premiums and expenses**Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Non-participation 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R41	71805	GL	31	12	1999	£000	OB	1	2
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1-2)		
					1		2		3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium		11	661				661		
		Regular premium		12	44082		3194		40888		
	Pension business contracts	Single premium		13	6431				6431		
		Regular premium		14	104140		4826		99314		
	Permanent health contracts	Single premium		15							
		Regular premium		16	74206		15675		58531		
	Other contracts	Single premium		17							
		Regular premium		18							
	Total premiums	Single premium		19	7092				7092		
		Regular premium		29	222428		23695		198733		
Total premiums at lines 19 and 29 attributable to	UK contracts		31	224279		23675		200604			
	Overseas contracts		32	5241		20		5221			
Expenses payable in the financial year	Commission payable in connection with acquisition of business			41	11063		(1463)		12526		
	Other commission payable			42	10704		2019		8685		
	Management expenses in connection with acquisition of business			43	26192				26192		
	Management expenses in connection with maintenance of business			44	8588				8588		
	Other management expenses			45							
	Total expenses (41 to 45)			49	56547		556		55991		
	Total expenses at line 49 attributable to	UK contracts		51	55839		555		55284		
		Overseas contracts		52	708		1		707		



## Long term business : Analysis of claims

Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Summary**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R42	71805	GL	31	12	1999	£000	OB	99	0
Claims incurred in the financial year					Gross 1		Recoverable from reinsurers 2		Net of reinsurance (1-2) 3		
Life assurance and annuity contracts	On death	11	22760	1109	21651						
	By way of lump sums on maturity	12	10541	1673	8868						
	By way of annuity payments	13	503		503						
	By way of payments arising from other insured events	14									
	On surrender or partial surrender	15	29274	2871	26403						
	Total life assurance and annuity claims (11 to 15)	19	63078	5653	57425						
Pension business contracts	On death	21	63499	3641	59858						
	By way of lump sums on vesting	22	14419		14419						
	By way of vested annuity payments	23	20603	1	20602						
	On surrender or partial surrender	24	112522		112522						
	Total pension business claims (21 to 24)	29	211043	3642	207401						
Permanent health contracts	By way of lump sums	31									
	By way of periodical payments	32	38098	9476	28622						
	Total permanent health claims (31+32)	39	38098	9476	28622						
Other contracts	By way of lump sums	41									
	By way of periodical payments	42									
	Total claims (41+42)	49									
Total claims (19+29+39+49)		59	312219	18771	293448						
Total claims at line 59 attributable to	UK contracts	61	309857	18771	291086						
	Overseas contracts	62	2362		2362						

**Long term business : Analysis of claims**Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Participation 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R42	71805	GL	31	12	1999	£000	OB	1	1
Claims incurred in the financial year					Gross  1		Recoverable from reinsurers  2		Net of reinsurance (1-2) 3		
Life assurance and annuity contracts	On death	11	1003	56	947						
	By way of lump sums on maturity	12	5638	708	4930						
	By way of annuity payments	13									
	By way of payments arising from other insured events	14									
	On surrender or partial surrender	15	804		804						
	Total life assurance and annuity claims (11 to 15)	19	7445	764	6681						
Pension business contracts	On death	21	55		55						
	By way of lump sums on vesting	22	5114		5114						
	By way of vested annuity payments	23									
	On surrender or partial surrender	24	13739		13739						
	Total pension business claims (21 to 24)	29	18908		18908						
Permanent health contracts	By way of lump sums	31									
	By way of periodical payments	32									
	Total permanent health claims (31+32)	39									
Other contracts	By way of lump sums	41									
	By way of periodical payments	42									
	Total claims (41+42)	49									
Total claims (19+29+39+49)					59	26353	764	25589			
Total claims at line 59 attributable to	UK contracts	61	26263	764	25499						
	Overseas contracts	62	90		90						

## Long term business : Analysis of claims

Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Non-participation 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R42	71805	GL	31	12	1999	£000	OB	1	2
Claims incurred in the financial year					Gross 1		Recoverable from reinsurers 2		Net of reinsurance (1-2) 3		
Life assurance and annuity contracts	On death	11	21757	1053	20704						
	By way of lump sums on maturity	12	4903	965	3938						
	By way of annuity payments	13	503		503						
	By way of payments arising from other insured events	14									
	On surrender or partial surrender	15	28470	2871	25599						
	Total life assurance and annuity claims (11 to 15)	19	55633	4889	50744						
Pension business contracts	On death	21	63444	3641	59803						
	By way of lump sums on vesting	22	9305		9305						
	By way of vested annuity payments	23	20603	1	20602						
	On surrender or partial surrender	24	98783		98783						
	Total pension business claims (21 to 24)	29	192135	3642	188493						
Permanent health contracts	By way of lump sums	31									
	By way of periodical payments	32	38098	9476	28622						
	Total permanent health claims (31+32)	39	38098	9476	28622						
Other contracts	By way of lump sums	41									
	By way of periodical payments	42									
	Total claims (41+42)	49									
Total claims (19+29+39+49)		59	285866	18007	267859						
Total claims at line 59 attributable to	UK contracts	61	283594	18007	265587						
	Overseas contracts	62	2272		2272						



**Long term business : Aggregate revenue account for internal linked funds**Name of company **Phoenix Assurance Plc**

Global business

Ordinary business

Financial year ended **31st December 1999**Name and number of fund **Ordinary long term summary 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund
			day	month	year				
<b>R44</b>	<b>71805</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1999</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>99</b>
Value of total creation of units						11			
Investment income attributable to the funds before deduction of tax						12			8
Increase (decrease) in the value of investments in the financial year						13			49
Other income						14			
Total income (11 to 14)						19			57
Value of total cancellation of units						21			23
Charges for management						22			1
Charges in respect of tax on investment income						23			
Taxation on realised capital gains						24			1
Increase (decrease) in amount set aside for tax on capital gains not yet realised						25			
Other expenditure						26			
Total expenditure (21 to 26)						29			25
Increase (decrease) in funds in financial year (19-29)						39			32
Internal linked funds brought forward						49			309
Internal linked funds carried forward (39+49)						59			341

<b>Name and number of fund</b>	<b>Ordinary long term summary 1</b>
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# PHOENIX ASSURANCE PLC

## SCHEDULE 4

### Valuation Report on the Long Term Insurance Business of the

### Phoenix Assurance plc made by the Appointed Actuary

#### 1

The date of the valuation was 31st December 1999.

#### 2

The date of the previous valuation was 31st December 1998.

#### 3

The valuation is in conformity with Regulation 64 of the Insurance Companies Regulations 1994.

#### 4

- 1(a)(i) The Unitised With Profits Fund is part of the ordinary long term business fund which is invested in a wide spread of fixed interest stocks, shares and property assets. Only one policy type is invested in this fund. This is the **UWP Group Pensions** contract which is reinsurance accepted from Sun Alliance and London Assurance Company Limited (SALAC). This is only available for group pension schemes which were previously invested in Retirement Funds issued by SALAC and Growth Funds issued by the company.

Both regular and single premiums may be payable. 100% of the premium is used to purchase units in the Unitised With Profits Fund at the current price at the time the investment is received. There is no bid / offer spread.

Administration charges vary by scheme and are met by cancellation of units. Units are cancelled to meet the cost of claims on a first in first out basis.

There is a deduction for discontinuance within the first 5 years of transfer from a Retirement Fund or Growth Fund of 10% initially, reducing to zero.

There are no management charges on the units. The profits are distributed by a regular increase in the unit price.

Additionally a Terminal Bonus may be added to reflect profits and investment returns received above that provided for by the annual bonus. Over some periods of investment the underlying assets may not achieve a rate of return reflected in the bonus already added. This might be because of a sustained period of lower than expected investment returns or because of a fall in the value of investments generally. In such circumstances the Company may make a deduction (known as a Market Value Adjustment) to ensure that policyholders who cash in their investment do not gain an unfair advantage over those whose investments remain. Terminal Bonus and Market Value Adjustment are determined using asset-share methods as described in more detail in section 14.

No Market Value Adjustment will be applied on normal claims arising under UWP Group Pension policies. However the Company reserves the right to apply a Market Value Adjustment in the case of full or partial discontinuances or special benefit enhancements.

- (ii) The liability has not been adjusted to allow for current or future levels of Terminal Bonus or Market Value Adjustment.

- (iii) There are no guaranteed investment returns or guaranteed bonus rates other than the guarantee that the unit price will not go down.
- (iv) There are no guaranteed surrender values; other than that no Market Value Adjustment will be applied in certain circumstances as described in paragraph 4.1.(a)(i) above.
- (v) The contract has no material options, except that on the transfer to this contract from a Retirement Fund or Growth Fund, a scheme may elect to retain the option to effect a purchase of annuities on the same guaranteed rates as existed under the original contract. As at the valuation date one scheme that had made the transfer, had made this election.

(b) **Pension and Annuity Contracts**

**1. Growth Fund**

This contract is closed to new business. All existing Growth Funds are in the process of discontinuing.

Premiums paid under Growth Fund group pension policies are credited to an Annuity Account. Allowance for capital gains on equities and for interest is made through Growth Factors and Accumulation Factors respectively calculated by the Company. These are related to the performance of the stock market indices referred to in the policies. The Growth Factor reflects the gains in equities only to the extent that they are considered by the Company to be permanent in view of the guarantees set down below. Service charges and the cost of benefits are debited from the Annuity Accounts as they arise.

- (i) The surrender value is determined by the Company having regard to the notional assets underlying the annuity account and to the level of the indices and the prices of fixed interest stock related to such assets at the relevant time.
- (ii) The following guarantees are given in respect of the Growth Fund Policy:-
  - Accumulation Factor not less than 4½% per annum during a ten year period from commencement.
  - Growth Factor can never be negative.
- (iii) Since all schemes are now in the process of discontinuing, no Accumulation Factor was applied during 1999.
- (iv) Annuity rates are guaranteed in respect of all retirements during a ten year period. Specimen guaranteed annuity rates for single life non escalating annuities payable monthly in advance with a five year guarantee period are as follows:

**Cash Equivalent to a £10  
p.a. annuity**

<b>Age</b>	<b>Male</b>	<b>Female</b>
60	110	120
65	90	110

- (v) There are no other material options.



## **2. PPSE, EPP and VPP**

Pension Plans are of three types. The Pension Plan for the Self Employed (PPSE) is a deferred annuity contract approved under section 226 of the Income and Corporation Taxes Act 1970. The Executive Pension Plan (EPP) is designed for treatment as an exempt approved scheme as defined in the Finance Act 1970. The Voluntary Pension Plan (VPP) provides additional benefits at retirement for members of approved company pension schemes through voluntary contributions of the member.

Under these contracts premiums for retirement benefits are paid into a Pension Account, interest being declared monthly in advance and compounded annually.

On death during the deferred period RNI contracts return all the premiums paid into the Pension Account without interest and RWI contracts return the whole of the Pension Account. There is no return on death under the NR contract.

Details of the charging structure for Pension Plans are:-

### **Regular Premiums**

- PPSE contracts. All interest rates applicable to the investment of the first two years' premiums are reduced by 5 percentage points for RWI contracts or 3 percentage points for RNI contracts except that where premiums commence after age 55 the charge is 5% of all premiums for RWI contracts or 2% of all premiums for RNI contracts. Similar provisions apply to increases in premiums.
- EPP and VPP contracts. Where the term (or outstanding term in the case of an increase in premium) is less than 10 years the amount of premium withheld from investment is ½% for each year (or part year) that the term at outset (or outstanding term in the case of an increase) is less than 10 years. All interest rates applicable to the investment of the premiums paid in the first two years are reduced by 4%, 3% and 2% for RWI, RNI and NR contracts respectively and similar reductions apply for any increase in premiums.

### **Single Premiums**

- PPSE contracts. A charge of 5% of premium for RWI contracts and 2% for RNI contracts but in the latter case the reduction only applies after age 55.
  - EPP contracts. For RWI contracts a charge of 7.5% of premium and for others a charge ranging uniformly from 5% to 7.5% for RNI contracts and from 2% to 7% for NR contracts accordingly as the outstanding term is in the range from ten or more years to less than one year.
- (i) The surrender value is determined as the full value of that part of the pension fund accumulated at the full declared rate of interest and a proportion of that part of the fund arising from contributions earning the lower rate of interest.
  - (ii) The declared rate of interest under the Pension Plan is guaranteed to be at least equivalent to the Building Societies Association Recommended Mortgage Rate or, if this rate is not available, to a comparable rate determined by the Company. Currently the Halifax Plc Mortgage Rate is used.
  - (iii) The interest rates applied during 1999 were 7.70% in January, 7.45% in February, 6.95% in March and April, 6.85% from May to September, and 6.99% from October to December. Currently the Halifax Plc mortgage rate is used.

- (iv) The nature of the Pension Plans is such that the amount of the annuity per annum is not determined until the date of vesting. No annuity per annum is shown for these contracts.
- (v) There are no other material options.
- (c) The following details relate to non-linked contracts not fully described by the entry in column 1 of Form 51:-
  - A. Permanent Assurances**
    - 1. Capital Investment Plan is a combination of two contracts:
      - (a) A single Premium Pure Endowment to age 100 (without return on death) for an amount equal to the single premium with a guaranteed bonus of 1% of the single premium allocated each quarter. The bonus can be surrendered for its face value.
      - (b) A Single Premium Term Assurance for an amount equal to 95% of the single premium for the Pure Endowment in (a) above payable on death prior to age 100. The premium payable was 1% of the single premium for the Pure Endowment in (a) above.
    - 2. Trustees Protected Portfolio is a combination of a single premium unit trust investment and a single premium whole life assurance where the sum assured is the excess of the total single premium over the current value of the unit trust investment. Only the whole life assurance is written in Phoenix.
  - B. Temporary Assurances**
    - 1. Convertible Term Assurances give the right of conversion at any time during the term into a Whole Life or Endowment Assurance, with or without profits, or a Temporary Assurance expiring at age not greater than 65, for the same or any smaller sum assured (subject to a certain minimum amount), without further evidence of health, at the rate of premium for the age when conversion is made. For policies applied for after 1988 there is no right of conversion to Temporary Assurance.
    - 2. Renewable Convertible Term Assurances are five year convertible term assurance policies with the option at the end of the five years if then under age 60 (and at the end of each succeeding five year period if still under age 60) to renew the policy for a further five years. On each such renewal the sum assured then in force may be increased by up to 50% without evidence of health. The option described above for Convertible Term Assurance also applies to Renewable Convertible Term Assurances and may be exercised at any time. If this option is exercised on an annual renewal date and the five year period expires before age 60 the sum assured may be increased by up to 10% for each year since the beginning of the current five year period. This contract was closed to new business from April 1988.
    - 3. The Increasing Protection Plan is a ten year convertible term assurance where the sum assured and premium increase by 10% simple each year. At the end of ten years the policy can be renewed at premium rates then in force without further evidence of health and for twice the initial sum assured under the previous policy. The policy can continue to be extended in this way while the life assured is under age 55. Once past age 55, the policy can be extended to the next policy anniversary following the life assured's 65th birthday. At any time part or all of the sum assured may be converted without evidence of health to Whole Life or Endowment, or Term Assurance expiring not later than age 65. This contract was closed to new business from April 1988.
    - 4. Personal Pension Scheme Term Assurance provides level cover for a term of three years, with the option to renew the policy at the end of each three year period without further evidence of health. Renewal is on terms and conditions applying at that date.

This contract was first issued by Sun Alliance & London Assurance Company Limited in July 1988.

5. Flexible Business Protection Plan is a five year renewable, convertible level term assurance with the option at the end of each five year period, if under age 60, to renew the policy for a further five years without further evidence of health. The policy can be converted at any time during the term into a unit linked or with profits Whole Life Assurance or a with profits Endowment Assurance. This contract was first issued by Sun Alliance & London Assurance Company Limited in April 1988.
6. Some sponsored Group Life assurance schemes give an employee the option, within one month of leaving the service of the employer, to effect a Whole Life or Endowment Assurance, or a Level Term Assurance expiring at the scheme risk ceasing age, for a sum assured up to the amount for which the employee was assured under the Group Life policy. This option applies only to a few schemes where it has been specially negotiated.
7. The Company guarantees the rate of premium for all premiums paid in respect of a certain period (usually two or three years) for Group Life assurance schemes, but with the right to revise the rates for all premiums payable thereafter.

**C. Permanent Health Insurance**

1. Certain individual contracts are written for an initial ten year period with the option on payment of an additional premium during the currency of the contract to extend the contract without evidence of health or occupation for further ten year periods or for the period up to the terminating age selected at the outset.
2. Individual policies providing level benefits for employed persons may contain the following options on payment of additional premiums
  - (i) To increase the benefits at each annual renewal date without evidence of health until the total of such increases reaches the lesser of 50% of the initial benefit or £10,000 per annum benefit. For policies applied for after April 1988 such increases are permitted only within five years of submitting medical evidence.
  - (ii) To increase the benefit when a claim is in course of payment by up to 5% per annum. At the end of the claim period the benefit reverts to the original level.
3. Group schemes give an employee the option, to be exercised within one month of leaving service, of effecting an individual policy without evidence of health for the same or smaller benefits as long as the terminating age is not increased. This option is only available for employees leaving service at least 5 years before the scheme terminating age.
4. The Company guarantees the rate of premium for all premiums paid in respect of a certain period (usually two or three years) for group schemes but with the right to revise the rates for all premiums payable thereafter.

**D. Reassured Contracts**

1. The Company accepts reinsurance, on original terms, of Individual Term Assurance and Permanent Health Insurance policies issued by the Sun Alliance and London Assurance Company Limited. The policies concerned are of the same types as those described in sections B and C above except for Life Plus which includes a Terminal Illness Benefit which allows the Sum Assured to become payable immediately if a terminal illness is diagnosed before the start of the last policy year. Hence all subsequent references to the contracts and descriptions of the valuation methods and bases apply equally to policies written directly by the Company or by way of reinsurance from Sun Alliance and London Assurance Company Limited. For policies effected after June 1987 all options to convert to Whole Life or Endowment Assurances remain with Sun Alliance and London Assurance Company Limited.
  2. The Company also accepts reinsurances, on original terms, of Progressive Protection policies issued by Sun Alliance and London Assurance Company Limited. This product is a term assurance written to the policy anniversary preceding the life assured's 70th birthday. Premiums are reviewed annually on a recurring single premium basis and are not guaranteed. Payment of the death benefit is accelerated if a terminal illness is diagnosed. Additionally, optional benefits payable on the occurrence of a critical illness or total permanent disability are available; these are reassured into the Phoenix PHI Fund. Further details of this business are given in the Returns of Sun Alliance and London Assurance Company Limited.
  3. In the past the Company has accepted reinsurances, on a facultative basis, of ordinary with profits Endowment Assurances and Immediate Annuities issued by the Sun Alliance and London Assurance Company Limited.
  4. The Company accepts reinsurances under treaty, on a risk premium basis, of the following benefits on unit-linked and unitised with-profits contracts written by Sun Alliance and London Assurance Company Limited:
    - (a) the life cover in excess of the value of the units (subject to a maximum reassurable sum on each life) on all contracts in force which are of the following types:

Life:	Universal Protection Plan
	Mortgage Savings Plan
	Regular Savings Plan
Pensions:	Individual Personal Pension Plan
	Group Personal Pension Plan
	Personal Additional Pension Plan
	Executive Pension Plan
	Company Pension Scheme
	Company Additional Pension Scheme
    - (b) additionally, in the case of Universal Protection Plan, all benefits in force under the Living Benefit and Medical Expenses sections of the contracts. These benefits are reassured into the PHI Fund. The former provides benefits in the event of certain critical illnesses or total permanent disability; the latter provides benefits in the event of specified types of major surgery.
- The business referred to above is described further in the Returns of Sun Alliance and London Assurance Company Limited.
5. The Company also accepts reinsurance under a treaty, on a risk premium basis, of part of the life cover relating to certain linked contracts written in Royal & Sun Alliance Linked Insurances Limited.

6. There is a further agreement in force whereby the whole of the liability in respect of Retirement Fund policies, written by Sun Alliance and London Assurance Company Limited in its UK Pensions Business Fund, is reassured to the Company. This business comprises with-profit group pensions deferred annuity contracts, and is described further in the Returns of Sun Alliance and London Assurance Company Limited.

## 5

- (1) The following details relate to linked contracts:-

### **Promise Bond, Rose Bond, Lotus Bond, Azalea Bond and Carnation Bond**

- (a) Promise Bond, Rose Bond, Lotus Bond, Azalea Bond, Carnation Bond
- (b) United Kingdom, Life, direct, non profit index linked business.
- (c) Single Premiums
- (d) Promise Bonds are single premium endowment assurances with a term of 5.5 years. They provide either guaranteed growth or a guaranteed income plus, in all cases, a potential additional benefit at maturity contingent upon the movement in the FT-SE 100 Index over the term of the contract.

Rose Bonds are single premium endowment assurances with a term of 5 years. They provide guaranteed growth plus a potential additional benefit at maturity contingent upon the movement in the FT-SE 100 Index over the term of the contract.

Lotus Bonds are single premium endowment assurances with a term of 5 years. They provide guaranteed growth plus a potential additional benefit at maturity contingent upon the movement in the Nikkei Stock Index 300 over the term of the contract.

Azalea Bonds are single premium endowment assurances with a term of 5 years. They provide either guaranteed growth or a guaranteed income plus, in all cases, a potential additional benefit at maturity contingent upon the movement in the Nikkei Stock Index 300 over the term of the contract.

Carnation Bonds are single premium endowment assurances with a term of 6 years. They provide guaranteed growth plus a potential additional benefit at maturity contingent upon the movement in the Nikkei Stock Index 300 over the term of the contract.

In all cases the death benefit is the greater of the amount initially invested or 101% of the surrender value at the date of death.

- (e) For Promise Bonds, growth bonds provide a guaranteed return at maturity of 136% of the amount invested, whilst income bonds provide a guaranteed income of 6% p.a. for the first five years of the contract term together with a return at maturity of the amount initially invested.

Rose Bonds are growth bonds providing a guaranteed return at maturity of 117% of the amount invested.

Lotus Bonds are growth bonds providing a guaranteed return at maturity of 135% of the amount invested.

For Azalea Bonds, growth bonds provide a guaranteed return at maturity of 133% of the amount invested, whilst income bonds provide a guaranteed income of 6% p.a. over the term of the contract together with a return at maturity of the amount initially invested.

Carnation Bonds are growth bonds providing a guaranteed return at maturity of 142% of the amount invested.

- (f) The costs of setting up and administering the Bonds are incorporated into the respective terms on which the policies were offered.

In respect of both growth bonds and income bonds, 100% of the single premium is invested; although, in the case of each product, a small enhancement to this rate, dependent on the date the investment was received, was applied to investors who subscribed early.

- (g) Not applicable.
- (h) For all Bonds, the surrender values are not guaranteed and will depend upon financial conditions at the time.
- (i) For Promise Bonds, the additional benefit payable, as described above, on the maturity date of all the contracts is a percentage of the amount invested. This percentage equals 25% of any growth in the FT-SE 100 Index in excess of 30% over the term of the contract. For this purpose the starting value of the Index is that prevailing on the issue date of the contract; the closing value is the average value of the Index over the final 12 months of the contract.

For Rose Bonds, the additional benefit payable, as described above, on the maturity date of the contracts is a percentage of the amount invested. This percentage equals 100% of any growth in the FT-SE 100 Index in excess of 17% over the term of the contract. For this purpose the starting value of the Index is that prevailing on the issue date of the contract; the closing value is the average value of the Index over the final 12 months of the contract.

For Lotus Bonds, the additional benefit payable, as described above, on the maturity date of the contracts is a percentage of the amount invested. This percentage equals 50% of any growth in the Nikkei Stock Index 300 in excess of 70% over the term of the contract, subject to a maximum of 35%. For this purpose the starting value of the Index is that prevailing on the issue date of the contract; the closing value is the average value of the Index over the final 24 months of the contract.

For Azalea Bonds, the additional benefit payable, as described above, on the maturity date of all the contracts is a percentage of the amount invested. For growth bonds, the percentage equals 50% of any growth in the Nikkei Stock Index 300 in excess of 66% over the term of the contract, whilst for income bonds the percentage equals 50% of any growth in the Nikkei Stock Index 300 in excess of 60% and is subject to a maximum of 6%. For this purpose the starting value of the Index is that prevailing on the issue date of the contract; the closing value is the average value of the Index over the final 24 months of the contract.

For Carnation Bonds, the additional benefit payable, as described above, on the maturity date of the contracts is a percentage of the amount invested. This percentage equals 50% of any growth in the Nikkei Stock Index 300 in excess of 84% over the term of the contract. For this purpose the starting value of the Index is that prevailing on the issue date of the contract; the closing value is the average value of the Index over the final 24 months of the contract.

- (j) All features material to the basis and method of valuation have been disclosed.
- (k) Promise Bonds, Rose Bonds, Lotus Bonds, Azalea Bonds and Carnation Bonds are closed to new business.
- (l) Not applicable.

### **RPI Linked Annuities**

- (a) RPI Linked Annuities.
- (b) Type of contract:
  - United Kingdom business
  - Pension business
  - Direct written business and reassurances accepted
  - Non-profit policies
  - Annuity in payment/reversionary annuity
  - Index linked
- (c) Single premium only.
- (d) The amount of annuity payable is linked to the Retail Price Index. Increases are made annually on the policy anniversary, starting one year after the issue date, for both immediate and reversionary annuities. On some policies the increase is limited to a maximum percentage (e.g. 5%).
- (e) There are no guaranteed investment returns.
- (f) Appropriate allowance for the costs of establishing and administering the contracts was included in the premium rates on which the policies were issued.
- (g & h) Not applicable.
- (i) The benefits are determined with reference to the Retail Price Index. The annuity is increased by the annual rate of increase of the Index.
- (j) All features material to the basis and method of valuation have been disclosed.
- (k) The contract was open to new business in the year to the valuation date.
- (l) Not applicable.

### **Wealth Assured Contracts**

- (a) Wealth Assured Endowment  
Wealth Assured (Ten + Ten) Endowment  
Wealth Assured Bond (Whole Life)
- (b) United Kingdom, Life, direct, non profit property linked business.
- (c) Wealth Assured Endowment contracts and Ten + Ten contracts are regular premium.  
Wealth Assured Bonds are single premium only.

(d) Wealth Assured Endowment contracts

*Wealth Assured Endowment contracts are Endowment assurances payable at age 65 or on earlier death. 90% of each monthly premium (excluding the policy fee) is invested in units of the Wealth Assured Fund, and the sum payable at maturity or on earlier death is the value of the units allocated to the policy, at the last bid price. At maturity there is an option to continue paying premiums in lieu of taking the cash value. At the end of ten years from the inception of the contract, or any time thereafter, the contract may be terminated and the policy-holder receive a cash sum equal to the value, at the last published bid price, of all units allocated to the contract.*

*For contracts issued before April 1979 there is a guarantee that at the end of ten years and throughout the eleventh year the sum payable will not be less than 100% of the total premiums paid (excluding the policy fee). This proportion will increase by 1% at each policy anniversary until final maturity.*

*For later contracts the minimum sum assured payable at the end of ten years for each £10 per month premium (excluding policy fee) is £1000 and this amount increases by £125 for males and £140 for females at the end of each complete year thereafter until final maturity.*

Wealth Assured Ten + Ten contracts

Ten + Ten contracts are ten year endowment contracts with option at the end of the ten years to continue the contract for further periods of ten years.

The sum payable at maturity or on earlier death is the cash value of units allocated to the policy at the last published bid price. There is a minimum payment on death of seven and one half times the annual premium.

At the inception of the contract, there is an option of adding a maturity guarantee under which in return for a reduction of 1% in the percentage of each premium invested, the contract guarantees that the minimum sum payable at the end of ten years is the total of the premiums paid.

Wealth Assured Bonds

Wealth Assured Bonds are single premium Whole Life assurances under which an amount equal to the whole of the premium is invested in units of the Wealth Assured Fund.

The amount payable on death is expressed in terms of the cash value of the bond, but is always higher than the cash value. For age attained at death up to and including 31, the guaranteed minimum sum payable on death is three times the cash value. For higher attained ages at death, the guaranteed sum payable is a lower multiple of the cash value, for example at age 70 the multiple is 1.03.

(e) There are certain guaranteed benefits on maturity and surrender as described in (d) and (h).

(f) The company recovers its costs from the policies as follows:

Unallocated Premiums

100% of the premium is invested in the case of the Wealth Assured Bond and 90% of each premium (excluding the policy fee) in the case of the Wealth Assured Endowment Policy. Under the Ten + Ten contract a fixed proportion of each premium is invested in units of the Wealth Assured Fund. The proportion varies with the age at inception and examples are given below:-



<u>Age next birthday at inception</u>	<u>Proportion invested</u>	<u>Age next birthday at at inception</u>	<u>Proportion invested</u>
20	99%	50	98%
30	99%	60	95%
40	99%	70	84%

If the contract is continued for a further period of ten years, 105% of each premium is then invested regardless of age.

#### Management Charges

Under the policy terms the Wealth Assured Fund makes the following provisions for charges and pricing.

All expenses of managing, maintaining, repairing, developing and valuing the assets of the Unit Fund, all mortgages or charges on the assets of the Unit Fund, all loans and all expenses in connection therewith, all interest payable in respect of mortgages or loans on the assets of the Unit fund, such amounts as the Company may from time to time consider to be appropriate for any liabilities of the company in respect of the Unit Fund including but not limited to tax on capital gains or any other tax considered to be relevant by the Company, and an amount not exceeding 1/32% per month calculated on the total value of the Unit Fund as used to determine the offer Price may be deducted from the Fund.

#### Bid/Offer Spread

The Offer price is the value of the Wealth Assured Fund, plus an appropriate addition for the costs of acquiring assets for the Wealth Assured Fund, divided by the number of units in the Wealth Assured Fund, multiplied by 100/95, and rounded up to the next higher 1p (such rounding-up adjustment to accrue to the company), or such lower amount as the Company may determine. The value of securities quoted on recognised Stock Exchanges is calculated on the basis of the respective lowest market dealing offered prices, and the value of securities not so quoted is calculated on a consistent basis.

The bid price is the value of the Wealth Assured Fund, divided by the number of units in the Wealth Assured Fund, and rounded-down to the next lower 1p (such rounding-down adjustment to accrue to the Company), or such higher amount as the Company may determine. The value of securities quoted on recognised Stock Exchanges is calculated on the basis of the respective highest market dealing bid prices, and the value of securities not so quoted is calculated on a consistent basis.

#### Policy Fee

A policy fee applies to the Endowment contract. For policies issued in 1983 this fee was £8 per year or £0.80 per month.

- (g) The charges are not subject to variation.

- (h) Wealth Assured Endowment contracts

After one year the policy may be surrendered for cash at any time up to the end of the 10th year. After 10 years the early maturity options become available. The surrender value is based on the bid price of units allocated to the policy. There is a surrender charge equal at the beginning of the second year to 1 1/4% of the guaranteed sum assured plus £15. This charge reduces by level amounts on payment of each premium to nil at the end of the sixth year.

#### Wealth Assured Ten + Ten contracts

The surrender value is based on the bid price of units allocated to the policy. Surrender values taken between one and five years are subject to a charge of 30% of the first years premium. This charge then reduces by half a percent per month over subsequent years.

#### Wealth Assured Bonds

On surrender the cash value of the bond is the value of the units allocated at the last published bid price, subject to a provision that if the Bond had been in force for ten years and no part of it had been cashed or withdrawn, the cash value is guaranteed to be not less than 125% of the original single premium; this guarantee increases to 200% after 20 years and 300% after 30 years. Reduced guarantees apply if part of the bond has been cashed.

- (i) Notionally invested in units of the Wealth Assured Fund. The Wealth Assured Fund is a mixed fund of equities, property and fixed interest securities and is a separately identified account maintained by the company as part of its Life Assurance Fund. With effect from 14th May 1986 the assets of this Fund were transferred to the Managed Fund of Sun Alliance Linked Life Assurance Limited (SALLI) (now part of Royal & Sun Alliance Linked Insurances Limited) under a reinsurance agreement. The value of each Wealth Assured unit is determined by reference to the assets of the Royal & Sun Alliance Linked Insurances Limited (SALLI) Managed Fund after levying the rate of charge applicable to the Wealth Assured Fund as described in (f).
- (j) All features material to the basis and method of valuation have been disclosed.
- (k) The Wealth Assured contracts are not open to new business.
- (l) There have been no increases in charges during the year to the valuation date.

#### Contracts Reassured from Save & Prosper Insurance Limited

- (a) Group Reinsurance (Save & Prosper).
- (b) United Kingdom, Life, Reinsurance accepted, non profit property linked business
- (c) Regular premium.
- (d) The company accepts reassurances, on original terms, of policies issued by Save and Prosper Insurance Limited, where sums assured are related to the value of units in various unit trusts of the Save and Prosper Group Limited.

Under the Save and Prosper Insurance Limited contracts the policyholder pays premiums of which a proportion is notionally applied to purchase relevant units. The net cash distributions of the notional fund are applied to purchase further units and the purchase of units takes place on a fixed day of each month.

The benefit payable at maturity for endowment assurances is an amount equal to the value at bid price of the units credited to the policy, less a deduction in respect of tax on capital gains, together with any amount required to make up the guaranteed minimum maturity benefit where there is such guarantee. On previous death, the benefit is an amount equal to the value at bid price of the units credited to the policy, less a deduction in respect of tax on capital gains, together with an amount equal to the total of all future premiums which would have been payable had the contract continued to maturity and any amount required to make up the guaranteed minimum death benefit where there is such guarantee.

The benefit payable on death for whole life assurances is equal to the value of the units credited to the policy less a deduction for the tax on capital gains, plus a sum equal to two hundred times the monthly premium, less the premium paid to the date of death, plus such amount (if any) as is required to bring the total to two hundred times the monthly premium.

- (e) The endowment contract guarantees that on death or maturity the total sum payable will be at least equal to a certain percentage of the total premiums that would have been payable over the whole term of the policy. For endowment assurances effected before May 1970, the percentage is 75% and is applicable to the sum payable on death, but for endowment assurances effected on or after May 1970, the percentage varies from 75% to 100% depending on the term of the policy and the unit trust, and is applicable to the sum payable on death or at maturity.

- (f) The Company recovers its costs from the policies as follows:

Unallocated Premiums

On average 95% of premiums is invested in respect of contracts reassured from Save and Prosper Group Limited.

Unit Price

The company retains the discount obtained on the purchase of units as described in paragraph 5(6) below.

Any regular management charge is retained by Save and Prosper.

- (g) Charges levied by the Company are fixed.
- (h) On surrender a cash sum is payable, equal to the value of the Units in the Unit Fund at the Bid Price on the date on which the company receives notice of his choice, less the Tax Deduction and less a deduction at the company's discretion not exceeding one monthly contribution.
- (i) The benefits under reassurances from Save and Prosper Group Limited are linked to the following authorised unit trusts of the Save and Prosper Group:

Financial Securities  
Investment Trust Units  
Growth Fund  
Premier Equity Income  
U.S. Growth Fund  
U.K. Growth & Income  
Commodity

Japan Growth Fund  
S.E. Asia Growth Fund  
Premier Equity Growth Fund  
U. K. Smaller Companies  
European Growth Fund  
High Income Fund

- (j) All features material to the basis and method of valuation have been disclosed.
- (k) The contracts are not open to new business.
- (l) There have been no increases in the Company's charges during the year to the valuation date.

### **Contracts Reassured from Royal & Sun Alliance Linked Insurances Limited**

- (a) Group Reinsurance (Royal & Sun Alliance Linked Insurances Limited - RSALI).
- (b) United Kingdom, life, reinsurance accepted, non profit property linked contracts as follows:
  - Haven Plan (Whole Life)
  - Acorn Plan (Endowment)
  - Equity Endowment Assurance Plan
  - Endowment Assurance Plan
  - Whole Life Policy
  - Life Bond (Whole Life)
  - Single Premium Bond (Whole Life)
- (c) Haven Plan - Regular premium  
Acorn Plan - Regular premium  
Equity Endowment Assurance Plan - Regular premium  
Endowment Assurance Plan - Regular premium  
Whole Life Policy - Regular premium  
Life Bond - Single premium  
Single Premium Bond - Single Premium
- (d) The Company accepts reassurances, on original terms, of Whole Life and Endowment Assurances written by RSALI where sums assured are related to the value of units in various unit trusts managed by Save and Prosper Group Limited. Under these contracts the policyholder pays premiums of which a proportion is notionally applied to purchase relevant units. The net cash distributions of the notional fund are applied to purchase further units. The Plan Value referred to below is the value at bid price of the units credited to the policyholder's account less a deduction in respect of tax on capital gains.

The Equity Endowment is for terms from ten to forty-five years with a maximum maturity age of 70 for males or 73 for females. On maturity the sum payable is equal to the Plan Value. On death the sum payable is equal to the Plan Value plus a sum equal to the premiums which would have become due between death and maturity. For any policy issued after 19th March 1968 there is a guarantee that the sum payable on death will not be less than 75% of the total premiums which would have been paid over the whole term of the policy. There is an option to extend the term of the policy beyond the maturity date but in this event the policy becomes paid-up on the maturity date and no further premiums are payable.

The Life Bond and the Single Premium Bond are whole life policies under which the sum payable on death is equal to the greater of a given multiple of the single premium and the Plan Value.

The term for an Endowment Policy may be from ten to fifty years provided the maturity age does not exceed 70. On death the sum payable is equal to the Plan Value plus a sum equal to the amount which would have been notionally invested in the units out of the premiums due between death and maturity.

For the Whole Life Policy an option date is selected at least ten years after entry and normally at age 70. The premiums which cease on the option date are the same as for the Endowment Policy. The sum payable on the option date or on death is calculated in the same way as for the Endowment Policy on maturity or death.

For the Endowment Policy and the Whole Life Policy there is a guarantee that the sum payable on death or maturity shall not be less than the total amount to be invested in units over the whole term of the policy.

The Acorn Plan is an endowment plan for a term of ten years or more expiring on or before age 70. On maturity the sum payable is equal to the Plan Value. This sum is guaranteed to be not less than the total amount of premiums paid. There is an option to continue paying premiums for a further term in lieu of taking the cash value. On death the sum payable is equal to the total premiums which would have been paid during the whole term of the policy plus a sum equal to the amount by which the Plan Value exceeds the amount of the premiums paid before death.

The Haven Plan is a whole life plan with limited premiums. Premiums may cease at age 75, 80 or 85. On death the sum payable is equal to the guaranteed minimum sum selected by the policyholder plus a sum equal to the amount, if any, by which the Plan Value exceeds the total premiums paid up to the date of death.

- (e) Certain amounts of benefits are guaranteed on death as described in (d) above.
- (f) The Company recovers its costs from the policies as follows:

Unallocated Premiums

For years after the first year of the contract, specimen percentages of premiums invested in units in respect of contracts reassured from RSAL are:-

ACORN PLAN				ENDOWMENT AND WHOLE LIFE		
Age at Entry	TERM			TERM OR PREMIUM TERM		
	10 years	20 years	30 years	10 years	20 years	30 years
30	95%	94%	92%	93%	95%	93%
40	94%	92%	85%	93%	93%	86%
50	92%	85%		91%	86%	
60	85%			84%		

  

EQUITY ENDOWMENT				HAVEN PLAN		
Age at Entry	TERM			AGE WHEN PREMIUMS CEASE		
	10 years	20 years	30 years	75 years	80 years	85 years
30	98%	98%	98%	84%	80%	75%
40	98%	98%	92%	81%	76%	68%
50	98%	92%		79%	69%	60%
60	92%			78%	68%	63%

For the first year of the contract the amount of the premiums invested in units is 25% less than the amount of the premiums invested in subsequent years in the case of the Acorn Plan, Endowment and Whole Life; is respectively 7½%, 5% or 2½% less for the Equity Endowment according as the sum assured is in the range up to £4,999, from £5,000 to £9,999, or £10,000 and above; and is less by 1% of the sum assured for the Haven Plan.

### Unit Price

The Company retains the discount obtained on the purchase of units as described in Paragraph 5(6) below. Any regular management charge is retained by Save and Prosper.

- (g) Charges levied by the Company are fixed.
- (h) The surrender value is calculated as the value of units surrendered less any deduction that the Company shall be entitled to take in respect of tax.
- (i) The benefits under reassurances from RSALF (except for the Equity Endowment) are linked to the following authorised unit trusts of the Save & Prosper Group

<i>Financial Securities</i>	<i>Growth Fund</i>
UK Growth and Income	Premier Equity Income
Commodity	UK Smaller Companies

The Equity Endowment is linked to the Ebor Equity Endowment Fund which is an internal linked fund.

- (j) All features material to the basis and method of valuation have been disclosed.
- (k) The contracts are not open to new business.
- (l) There have been no increases to the Company's charges during the year to the valuation date.
- (2) None of the linked contracts contains a with profit option.
- (3) The policies referred to as 'miscellaneous' in Form 53 - UK Business are endowment policies under which the following benefits are payable: on maturity, the value of the units; on earlier death, the greater of the sum assured or the value of units.

On average 94% of premiums is invested.

There are no internal funds.

The benefits are linked to the following unit trusts:

G T North America	Hill Samuel (Jersey) Fixed Interest
G T Europe	Barclays Pacific Equity
G T Bond	Barclays International Equity
G T Investment	Barclays U.K. Equity
Jardine Fleming Pacific	Fidelity UK
Guinness Flight GS (USD)	Guinness Flight GS (STG)

- (4) The Ebor Equity Endowment Fund is an internal linked fund consisting of a mixed fund of authorised unit trusts of the Save and Prosper Group and cash on deposit.

Unit prices are calculated monthly. Offer prices are calculated having reference to the offer prices of the underlying unit trusts. Bid prices are calculated by reference to the bid prices of the underlying unit trusts. Allowance is also made for the interest received on cash on deposits and any appropriate deductions permitted by the policy condition. The values of the fund so determined are divided by the number of units in issue to obtain the offer and bid prices.

- (5) Provision for tax on realised capital gains within the internal linked fund is made at the rate of 23%.

- (6) The following discounts are received by the Company on the purchase of units from authorised unit trusts in respect of reassurances:

Save and Prosper Reassurances	All funds	5%
RSALI	All funds	5%

A discount of approximately 5% is received by the Company on the purchase of units in respect of the miscellaneous contracts described in (3) above.

Policyholders do not benefit from these discounts.

## 6

- (a) It was necessary to make allowance for derivative contracts in the determination of the amount of the long term liabilities of Promise Bonds, Rose Bonds, Lotus Bonds, Azalea Bonds and Carnation Bonds. In respect of these contracts derivatives are held which closely match the benefits of the bonds as described in Section 5. For Promise Bonds and Rose Bonds the asset is based on the FT-SE 100 index and for the other bonds is based on the Nikkei Stock Index 300. The amount of the liabilities is the aggregate of:

- (i) the market value at the valuation date of the assets described above; and
- (ii) allowances for mortality, expenses and deferred tax.

No other allowance for derivative contracts was necessary.

- (b) It is considered that the margins in the valuation basis are sufficient to allow for the reasonable expectations of policyholder to be met and are consistent with the custom and practice of the Company in the manner and timing of the distribution of surplus.

(c) **Individual Policies**

The net premium method was used to value without profit Whole Life and Endowment Assurances, and Level Term, Convertible Term and Decreasing Term Assurances. Net premiums were restricted to 97½% of the office premiums (excluding any option loadings and extra premiums). In addition there is an annual loading of £32.00 per policy in the case of a Pensions Business contract and £20.00 in the case of any other contract. No Zillmer adjustment was made. The reserves thus calculated were then increased to provide for:

- (i) Term Assurances issued on below average lives and other special risks - the additional reserve being not less than one year's additional premium
- (ii) inflation at approximately 3.0% per annum of the per policy expense amounts of £32.00 and £20.00.

With-profit Endowment and Whole Life contracts were valued using the net premium method. In addition there is an annual loading of £20.00 p.a. after allowance for tax. The allowance for expenses provides for the escalation of per policy expenses at approximately 3.0% per annum.

Endowment and Whole Life Policies on below-average lives subject to a debt on the sum assured were valued as normal risks for the full sum assured. Where an increased premium is payable on account of health or other special risks, the normal reserve was increased by at least one year's extra premium or the policy was valued as though issued at the increased age corresponding to the premium charged.

For Permanent Health Insurance the net premium method was used in the valuation of individual policies. Net premiums were restricted in each case to 95% of the

current office premium (excluding any option loading or extra premium). In addition there is an annual loading of £32.00 per contract. No Zillmer adjustment was made.

The reserves thus calculated were then increased to provide, inter alia, for

- (i) extra premium payable on account of health or occupation. Policies carrying an extra premium have an additional reserve of one year's extra premium
- (ii) the inclusion of any waiver of premium benefit - the additional reserve being equal to the total of the premiums paid for that benefit
- (iii) inflation at approximately 3.0% per annum of the annual per policy expense allowance of £32.00 in respect of level annual premium contracts.

The liability in respect of benefits on contracts reassured from Sun Alliance and London Assurance Company Limited (SALAC), as described in paragraph 4(c). D.4, is taken as three months' risk premiums in respect of these benefits, as charged to policyholders by SALAC. (SALAC pays Phoenix 87.5% of these risk premiums in respect of life cover reassurances, and 91% of these risk premiums in respect of reassurances of the Living Benefit and Medical Expenses Benefit on Universal Protection Plan).

The liability in respect of Progressive Protection contracts is taken as 1 year's Office premium in respect of each contract.

The liability for Pension Plans was:

- (i) the total Pension Accounts; plus
- (ii) an allowance (included in Group Term Assurances) for any death in service benefits provided under the Executive Pension Plan; plus
- (iii) an allowance to provide for investment guarantees; plus
- (iv) an annual per policy expense of £25 for the Pension Plan for the Self Employed and of £220 for the Executive Pension Plan and the Voluntary Pension Plan, inflating at 3% p.a..

Annuities in payment have been valued by using a discounted cashflow method. The gross premium method was used in the valuation of reversionary annuities. The liability for these classes of annuities was obtained by deducting from the present value of annuities the present value of future office premiums, with an allowance for future expenses. Allowance was made where annuity payments are guaranteed for a minimum number of years.

The net premium method was used to value without profit deferred annuities. Net premiums were restricted to 95% of the office premium. In addition there is an annual loading of 2.65% of the annuity. No Zillmer adjustment was made.

The net premium method was used to value the whole life assurance element of Trustees Protected Portfolio, with the sum assured fixed at the level given by an immediate 25% fall in the value of the associated unit trust investment.



## **Group Policies**

The net premium method was used to value without profit deferred annuity policies issued under standard group pension schemes. Net premiums were restricted to 95% of the office premium. In addition there is an annual loading of 2.65% of the annuity. No Zillmer adjustment was made.

For Group Life and Group Permanent Health contracts where recurring single premiums are payable the reserve is not less than that part of the premium representing the unexpired risk together with a premium deficiency reserve, a reserve for unreported claims and:

- (i) in the case of Group Life contracts, £0.95 per mille sum assured for policies in all funds; and
- (ii) in the case of Group Permanent Health contracts, a further amount making full provision for claims reported at the valuation date (including an allowance of £200 p.a. per claim inflating at 3.0% p.a. for expense of payment).

The liability for Growth Funds (all of which are discontinuing schemes) was equal to the total of the surrender value at the discontinuance date accumulated to the valuation date less any claims paid between the discontinuance date and the valuation date.

For Retirement Funds, the reserves have been taken as the value of the guaranteed cash option of the fully paid-up benefits, plus an allowance for future expenses, plus premiums received less claims paid since the last completed scheme renewal.

For UWP Group Pensions the reserves have been taken as the number of units multiplied by the unit price plus three months administration charges.

## **Reassured Contracts**

Business is written under reinsurance treaties with subsidiary and associated companies overseas under which the Company receives a share of the whole business. The liabilities have been calculated on the valuation basis adopted by each ceding company. The liabilities are the amounts which have been deposited with each ceding company as security for the Company's obligation; each reinsurance treaty contains a clause that the mathematical reserve must be deposited with the ceding company.

- (d) Negative reserves have been eliminated.
- (e) No specific reserve has been made for future bonus.

- (f) Provision has been made in Form 14 of Schedule 1 for the prospective liability for deferred taxation, including tax on unrealised capital gains. This provision is considered adequate having regard to:

1. The unrealised capital gains on market values at 31st December 1999 for the non-linked assets.
2. An Indexation adjustment to the book costs of the assets.
3. Gains on deemed disposals of Unit Trusts which will be brought into future Phoenix tax computations. These relate to the Ebor Phoenix and Save and Prosper range of unit linked policies.
4. The average incidence of dealings by discounting the provision over 10 years at a rate of 4.61% p.a.

In addition an allowance for deferred tax is made on the contracts backed by derivatives described in subparagraph (a) above and this is shown on Form 54.

- (g) The total reserve for maturity and surrender guarantees on the whole portfolio of linked business was £1,250,000. This was based on earlier results which followed the principles suggested by the working party of the Institute of Actuaries and Faculty of Actuaries with a standard deviation of .09 in respect of dividend yields, lapse rates of 8% and 4% per annum respectively for single and annual premium contracts and the fifth highest reserve from five thousand simulations was regarded as the minimum reserve.

There is a loan agreement with Royal & Sun Alliance Linked Insurances Limited under which the Company pays interest based on building society mortgage rates. It was not considered necessary to make any additional provisions in respect of the arrangement.

The reserve for investment guarantees on Pension Plans in 4(1)(b)2 is £8,874,025. This is calculated as 15% of the reserves for these contracts.

- (h) Where there are options to convert or extend Term Assurances an additional reserve is calculated as the larger of 10% of the normal term assurance reserve and 20% of the office premium except for Renewable Convertible Term Assurance. For Renewable Convertible Term Assurance this reserve is the larger of 20% of the normal reserve and 30% of the office premium

For Retirement Fund pension policies which are valued by discounting the cash option at vesting but which provide an option to convert the cash sum at vesting into an annuity on guaranteed terms, an additional reserve has been established, where the value of the annuity is greater than the value of the cash option, using the following assumptions:

- All policyholders will exercise the option.
- 95% of the cash sum will be used to purchase the annuity on guaranteed terms.
- The post vesting mortality is 77.5% PMA80 (c=2010) for males and 102.5% PFA80 (c=2010) for females with improvements of 1.25% for both males and females and with allowance for improvements at 1.5% p.a. for males and 1.25% for females in deferment.
- The valuation rate of interest for valuing the guaranteed annuity is 5.15%.
- The expense of payment are 1% of the value of the annuity.

Allowance for the cost of the guaranteed annuity option on the one UWP Group Pension which has retained it has been made on an approximate basis.

- (1) Where applicable, the rates of interest and tables of mortality and morbidity assumed in the valuation are shown in Forms 51, 53 and 54. Where the AM80/AF80 Ultimate table has been used the mortality has been assumed to be the following proportions of the tabular rate:

Life Assurances	70% (males)
Life Assurances	80% (females)
Term Assurances	70% (males)
Term Assurances	80% (females)
Deferred Annuities (prior to vesting)	50% (males)
Deferred Annuities (prior to vesting)	60% (females)

Adjustments have been made to the AM80/AF80 Ultimate table for term assurances only as follows:

male	smoker	+4 years
male	non-smoker	-1 year
female	smoker	+4 years
female	non-smoker	-1 year

For annuities mortality of 75% PMA80 for males and 95% of PFA80 for females (both ult c = 2010) has been used.

Claim termination rates for valuing claims in payment under Group Permanent Health Insurance policies are based on mortality of 72% of the CMIR12 mortality table and recovery rates of between 36% and 54% of the CMIR12 recovery table depending upon the deferral period and the durations.

For individual Permanent Health Insurance the morbidity assumed in 110% for males and 165% for females of Manchester Unity AHJ (1893 - 97).

- (2) All mortality tables shown in Column 3 of Forms 51, 53 and 54 have been published.
- (3) It is considered that the degree of variation of mortality between States does not give rise to a material effect in the valuation and no adjustments have been made to the tables shown in Forms 51, 53 and 54.
- (4) Where the PMA80/PFA80 tables have been used, allowance has been made for future improvements in mortality at the rates of 1.25% p.a. for both males and females.
- (5) The standard tables of mortality were derived and published before the incidence of AIDS. Additional reserves for excess mortality from AIDS have been added based on one sixth of the model projection R by the Institute of Actuaries working party. Allowance has also been made for additional morbidity as a result of AIDS on Permanent Health Insurance contracts.

AIDS reserves are shown separately in Form 51.

- (6) In considering the need for a provision to be made, the following assumptions were considered:-
- (i) The effects of a 20% fall in fixed interest yields coupled with a 10% fall in the market values of ordinary shares and property values which are being used to match the actuarial liabilities,
  - (ii) The effects of a 10% fall in fixed interest yields coupled with a 25% fall in the market values of ordinary shares and a 20% fall in property values which are being used to match the actuarial liabilities,

- (iii) The effects of a three percentage point rise in fixed interest yields coupled with a 25% fall in the market values of ordinary shares and a 20% fall in property values which are being used to match the actuarial liabilities.

The non-linked liabilities denominated in currencies other than Sterling are small compared to the total liabilities and it was not considered necessary to make explicit allowance for mismatching of currencies in the scenarios tested.

Scenario (ii) above produced the most onerous requirement. No additional reserve was required.

- (7) It was not considered necessary to make a reserve pursuant to regulation 75(a) of the Insurance Companies Regulations having regard to the nature of the assets and liabilities and the implicit margins contained within the calculation of the liabilities. The liabilities include some with profits business where future bonuses including terminal bonus represent a significant proportion of the expected future benefits on these contracts. In addition the conditions giving rise to the envisaged change in the value of assets under regulation 75(b) embrace those considered appropriate under regulation 75(a).
- (8) Scenario (ii) described in subparagraph (6) above produces the most onerous requirement. No reserve has been made pursuant to regulation 75(b) of the Insurance Companies Regulations.
- (a) changed assumptions made (other than change in interest rates) are:
- the allowance of £0.95 per mille sum assured for group life business referred to in 6(c) above was removed; and
  - the reserve for UWP Group Pensions in the changed conditions is taken as the discounted value of the guaranteed benefits plus three months administration charges.
- (b) for each of scenarios (i) - (iii) described in subparagraph (6) above, it is possible to notionally allocate assets such that:
- the value of the notionally allocated assets under the changed conditions would exceed the value of the liabilities determined in accordance with the regulations after taking account of the corresponding change in the maximum permitted rates of interest which can be used in valuing the liabilities and the changes described in (a) above; and
  - the current value of the remaining assets would not be less than the excess of assets over liabilities as shown in line 25 of Form 9. In carrying out these calculations the provision for unrealised capital gains has been treated as a liability and the amount of this provision has been adjusted to allow for the change in asset values on the alternative scenarios tested and the effect of this has been included in (c) below.
  - the pool of assets notionally allocated to cover the liabilities are the same under each of the scenarios tested and are the assets shown in lines 11 to 29 of Form 57.
- (c) The reduction in the aggregate amount of the long term liabilities on scenario (ii) is £153.562m. The aggregate amount by which the assets allocated to meet such liabilities in the scenario reduces is £131.9999m from the amount of these assets shown in Form 13.

- (9) The non linked liabilities denominated in currencies other than sterling are very small compared to the total liabilities and it was not considered necessary to make different interest rate assumptions for these liabilities.

## 8

- (a) The proportions of the office premiums reserved for expenses are shown in Column 8 of Form 51. Where an additional allowance for expenses and profits has been made, this allowance has been excluded from the calculation of the proportion.
- (b) Provision for the payment of expenses after premiums cease is in accordance with the allowance set out in 6(1)(c).

For annuities in payment the provision for expenses was based on an average policy amount of £25.00 inflating at 3.0% per annum.

In the case of Group Life, Group Permanent Health and Group Critical Illness contracts where recurring single premiums are payable no reserve is held for expenses beyond the unexpired risk period in view of the Company's right to amend the terms of the contracts when the guaranteed period ends.

The charges for Pension Plan contracts referred to in paragraph 4 are considered adequate in each case.

- (c) For contracts where a prospective method of valuation has not been used the Company has the flexibility to vary future premiums and the valuation method is considered to be adequate.
- (d) Future Premiums brought into account are in accordance with Regulation 67(1) of the Insurance Companies Regulation 1994.

- (a) The liabilities for unit-linked contracts were taken as the current bid value of the units deemed to have been allotted together with further reserves.

The sterling reserve for Wealth Assured contracts was calculated by projecting the cash flows for future years using data grouped on age and sex. The projection produces the net cash flow in each year after allowing for the cost of mortality, expenses and the amount invested in units. The outflows are met by -

- (i) The basic premium received.
- (ii) The Bid/Offer spread
- (iii) Management charges on internal funds retained by the Company.

Any excess of outgo over income was discounted to the valuation date and a reserve established so that the net outgo can be met each year without recourse to future finance.

The parameters used in these projections were as follows:

Mortality	:	70% AM80/80% AF80
Fund Growth	:	4.55%*
Rate of Interest	:	3.52%
Inflation	:	3.00%
Per policy expenses		
Regular premium policies -		
Ten + Ten Endowments	:	£21.94
Other	:	£26.54
Single premium policies		
and policies where premiums		
have ceased	:	£14.28

\* Following a fall in unit prices of 25% in year 1.

The sterling reserve for the reinsurance business accepted from Royal & Sun Alliance Linked Insurances Limited was calculated using an approximate method based on the average reserve per policy for the corresponding Wealth Assured policy.

The sterling reserve for the reinsurance accepted from Save and Prosper was calculated using the same basis and methodology as that used by Save and Prosper.

The method of valuation of Promise Bonds, Rose Bonds, Lotus Bonds, Azalea Bonds and Carnation Bonds is described in paragraph 6(a). Provision is made for future expenses on these contracts at the rate of £20.00 per contract per annum. The provision for mortality is determined using an approximate approach, since the amount is not material.

Annuities linked to movements in the general index of retail prices have been valued using the interest and mortality assumptions shown in Columns 2 and 3 of Form 54. The provision for expenses and the allowance for mortality are the same as for other annuity contracts as set out in 7(1) and 8(b) above.

- (b) Explicit provision has been made for meeting future expenses on existing contracts for all main classes of business.

## 10

- (1) The explicit per policy or per claim expenses allowed for in the valuation as described in paragraphs 6, 8 and 9 above are assumed to increase at 3.0% p.a. to allow for future inflation.

- (2) The aggregate amount of contribution arising during the 12 months following the valuation date from implicit and explicit margins made in the valuation basis is considered to be £22.8m.

This amount is available to cover expenses, profit and other fluctuations and arises from:

- the annual per policy and per claim expenses allowed for in the valuation basis.
  - the difference between the office and the net premium on premium paying policies where a net premium valuation method has been used.
  - the margin between the risk adjusted yield on the assets and the valuation rate of interest which is available as an implicit margin for future investment management expense.
- (3) A prudent estimate of the expected new business strain arising in the 12 months following the valuation date was made. This amount was then compared with a prudent estimate of the surplus expected to emerge on existing business over the 12 months following the valuation date. It was demonstrated that the emerging surplus was expected to exceed the new business strain and as a result it was considered that a reserve was not required.
- (4) A prudent estimate of the cost of immediate closure to new business was made as at the valuation date taking into account redundancy costs etc. and based on recent levels of new business expenses and of maintenance expenses, netted down for tax relief.

Similarly a prudent estimate was made of the cost of closure to new business twelve months after the valuation date, allowing for expected new business strain arising in the twelve months following the valuation date to be offset by the surplus expected to emerge on existing business over the period.

The closed fund reserve was then taken as the greater of these two amounts. At the valuation date the cost of immediate closure produced the higher result and a reserve of £14.756m was established.

## 11

The mathematical reserves (other than liabilities for property linked benefits) after distribution of surplus are made up as follows:

	Liabilities	Assets
	£m	£m
Sterling	1,388.687	1,388.687
Israeli Shekels	17.356	17.356
Other currencies	17.565	

The proportion of the net liabilities (other than liabilities for property linked benefits) reported in the 'other currencies' heading matched by assets in the same currency is 100%.

## 12

- (1) For reinsurance ceded on a facultative basis no premiums were payable to reinsurers not permitted to carry on business in the United Kingdom during the period since the previous investigation.
- (2) The Company has:
- (i) treaties with a number of reinsurers for individual large risks;
  - (ii) a treaty for group PHI business;

- (iii) a treaty with the Munich Reinsurance Company in respect of benefits on the Universal Protection Plan contract; and
- (iv) a treaty with RSALI in respect of Wealth Assured units.

The following information applies to (i), (ii), (iii) and (iv) above.

- (a) The names of the reinsurers are set out in the table in (d) below.
  - (b) All reinsurers are permitted to carry on insurance business within the United Kingdom.
  - (c) Of the reinsurers involved the only connected companies are the Sun Alliance and London Assurance Company and RSALI which are both companies within the Royal & SunAlliance Group.
  - (d) The treaties give the Company the facility to place the reinsurers automatically on risk for eligible lives for the amount shown in (e). Amounts in excess of this and assurances on ineligible lives are ceded facultatively to the reinsurer concerned but subsequently come within the terms of the treaty. For some contracts, arrangements have been made for the treaties to cover automatically various percentages of all risks assumed by the Company for the particular type of contract involved.
- | (e) | <u>Name of Reinsurer</u>       | <u>Maximum Automatic Cover (see 12.2 (d))</u><br>£ | <u>Premiums Payable in 1999</u><br>£ |
|-----|--------------------------------|--|--------------------------------------|
|     | RSALI                          |  |                                      |
|     | (ex- Sun Alliance Linked Life) | no maximum   | 605,794                              |
|     | Munich Reinsurance             | not applicable                                     | 657,032                              |
|     | ERC Frankona                   | (PHI benefit p.a.) 60,000                          | 15,311,840                           |
|     | Sun Alliance and London        | 500,000  | 4,000,000                            |
|     | Swiss Reinsurance (U.K.)       | 750,000  | 887,196                              |
- (f) There are no deposit back arrangements.
  - (g) Any refunds of reinsurance commission are met out of the corresponding refund of premium from the reinsurer.
  - (h) All treaties are open to new business.

The Company is party to an agreement under which a number of offices have agreed to pool certain excess losses which may arise as a result of a serious catastrophe.

## 13

The investment income and appreciation for the Participation and Non-Participation Funds are derived directly from a notional segregation of the assets.

The Fund carried forward at line 1 on each Form 58 includes the bringing into account of an increase in the value of non-linked and linked assets as shown on lines 13 and 14 of the respective Form 40. As regards non-linked assets the Value of Assets is found by deducting from the Market Value of Assets a Fluctuation Reserve and by making an allowance for tax. The Fluctuation Reserve exists to protect the fund from the vagaries of the market and the technique is to take a margin below a smoothed asset valuation.

Expenses are apportioned between the funds using standard actuarial techniques and the amounts of tax attributed to the two funds are based on the amounts which would be payable if each fund were taxed separately.

## 14



- (1) The constitution of the Company provides that the holders of Participating policies ranking on the Participation Fund are entitled to receive the whole of the divisible profits arising from that fund, and that the divisible profits arising from the Non-Participation Fund belong to the Shareholders.

Statements regarding the principles for the distribution of surplus made in policies and advertisements issued by the Company have been consistent with the above.

The Company does not issue With Profits Guides in accordance with the rules of the Personal Investment Authority as it does not write new direct with profits business.

- (2)(a) For maturing with profits policies the broad aim has been to achieve payouts at least equal to the asset share but with adjustments for smoothing to avoid undue fluctuations in payouts from year to year. In recent years the aim has been to pay out more than asset share for life policies only due to the strength of the fund.

When a policy is surrendered, allowance for the basic benefit and existing bonuses attaching to the policy is made when calculating the surrender value. Some allowance for terminal bonus (known as Capital Bonus) may also be included in the surrender value, depending on the duration in force at the date of surrender.

Surrender values are usually expected to provide a lower rate of return to policyholders than corresponding maturity values.

The Company's surrender value policy is not subject to frequent change but is kept under review and may be amended, particularly in the light of changes in financial conditions.

For claims arising by death the guaranteed sum assured and attaching annual bonuses is paid together with a terminal bonus consistent with that applying to a comparable maturing in-force policy.

- (b) Terminal bonus varies according to the year of commencement as a with profits contract to ensure appropriate and equitable treatment between different groups of policies.
- (c) Smoothing avoids undue fluctuations in payouts from year to year, and within a year.
- (3) Bonus rates on with profits policies are determined using asset share techniques. Items taken into account in the asset share calculations include appropriate allowance for:
- the actual investment returns achieved on the investments backing the with profits policies;
  - the levels of new business and maintenance expenses incurred (but in certain instances expense overruns are ignored);
  - the scales of commission which have applied;
  - the rates of taxation of investment returns including taxation of capital gains;
  - the rates of tax relief on expenses;
  - the cost of life cover and other risk benefits;
  - the cost of providing options and guaranteed benefits;
  - miscellaneous surplus including surplus from non profit business.
- (4) None.

## 15

The rate of reversionary bonus declared at 31st December 1999 on Life Business was 3.0% of sum assured plus 6.0% of existing bonuses.

The rate of Premium Bonus declared on Retirement Fund business was 3.5%. The amount of Premium Bonus, applicable to a particular pension scheme at a bonus declaration, is calculated by applying the rate of Premium Bonus to the total premium which had been allocated to those who were active members of the scheme at the preceding scheme anniversary.

The rate of annual bonus on UWP Group Pensions was 8.0% for the first 17 days of the year then 6.5% p.a. during the remainder of the year to the valuation date. This bonus is added in the form of an increase in unit price.

No conditions attach to the allocation of bonus concerning the number of years premiums to be paid before a bonus vests.

## 16

Capital Bonuses are paid on maturities, death claims and surrender claims for Life contracts entitled to reversionary bonuses. The cost of these bonuses is met as it arises each year and no specific provision for future payments has been made in the valuation. Rates of Capital Bonus depend upon the year of entry as a participating assurance and are altered from time to time in the light of current financial conditions. The following scale was in force on 1st January 2000 for maturities and death claims.

<u>Year of commencement as a with-profits contract</u>	<u>Capital Bonus per £1,000 basic sum assured</u>	<u>Year of commencement as a with-profits contract</u>	<u>Capital Bonus per £1,000 basic sum assured</u>
	£		£
1955 and earlier	19,500	1980	3,220
1960	16,000	1985	1,800
1965	12,900	1990	1,290
1970	9,900	1995	410
1975	6,250	1996 and later	0

Interim bonus under those policies entitled to such a bonus will be payable until further notice at the rate shown in 15 and Capital Bonuses will be payable at the rates in force at the time.

The rate of Capital Bonus declared on Retirement Fund business was 15.0%. The amount of Capital Bonus is calculated by applying, at the scheme anniversary following the date of retirement, the rate of Capital Bonus to the cash available for providing benefits for members retiring. The cost of Capital Bonus is met as it arises each year and no specific provision for future payments has been made in the valuation.

## 17

See Form 46.

## 18

See Form 47.

## 19

See Forms 48 and 49 and the information in the notes to these returns provided under regulation 23 of the Insurance Companies Regulations 1994.

## 20

(1) See Forms 51, 53 and 54.

- (2) There are no deposit back arrangements for unit liabilities.
- (3) Where the unit liabilities for Wealth Assured policies shown are wholly reassured to Sun Alliance Linked Life Insurance Limited the provisions of Section 35 A of the Insurance Companies Act 1982 have been complied with in accordance with published guidance in relation to the liabilities so reinsured.

## 21

21. (1) See Form 57.

The liabilities shown on Form 57 include the reserve of £80.000m for prospective tax on unrealised gains as described in paragraph 6(f). They do not include the reserves for tax on capital gains shown on Form 54 for index linked policies.

The investment liabilities in respect of index linked pension benefits as shown in column 12 of form 54 have been included on Form 57 as these liabilities are not directly linked to the changes in the values of the underlying assets on Form 56 in the alternative scenarios considered in relation to Regulation 75(b).

- (2) The yield on assets other than equity shares and land was reduced in accordance with regulation 69(7) of the Insurance Companies Regulations 1994 by a percentage of that yield as follows:

Fixed Interest

Approved Securities	Nil
Other Securities	1.0%

Variable Yield

Approved Securities	Nil
---------------------	-----

Loans secured by Mortgages 1.0%

All other assets producing income 0.5%

- (3) The yield on equity shares and land was reduced by 2.5% of that yield in accordance with Regulation 69(7) of the Insurance Companies Regulations 1994.

## 22

See Form 58.

## 23

See Form 60.

There is no Supplementary Accident and Sickness Insurance business and hence Form 61 has not been prepared.

**R A J Skillin**  
**Fellow of the Institute of Actuaries**  
**Appointed Actuary**

**23 June 2000**

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

Name of company **Phoenix Assurance PLC**

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 1999**

		Company registration number	GL/UK/CM	Period ended			Units	UK/OS	NL/LN	
				day	month	year				
		R46	71805	GL	31	12	99	£000	UK	NL
		Life assurance and general annuity		Pensions business		Permanent health		Other business		
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8	
In force at beginning of year	11	139175	38570	20811	4919	49517	18771	1		
New business and increases	12		6175	1143	215	8380	5496			
Net transfers and other alterations 'on'	13			1463	542	342	422			
Total 'on' (12+13)	19		6175	2606	757	8722	5918			
Deaths	21	728	96	900	16		3			
Other insured events	22									
Maturities	23	522	102	18						
Surrenders	24	247	936	63	1		456			
Forfeitures	25	8244	2289	636	157	4852	1443			
Conversions to paid-up policies for reduced benefits	26		57		1		10			
Net transfers, expiries and other alterations 'off'	27	2770	269	1280	308			1		
Total 'off' (21 to 27)	29	12511	3748	2897	483	4852	1912	1		
In force at end of year (11+19-29)	39	126664	40997	20520	5193	53387	22777			

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

Name of company **Phoenix Assurance PLC**

Global business

Overseas business

Non-linked

Financial year ended **31st December 1999**

		Company registration number	GL/UK/CM	Period ended			Units	UK/OS	NL/LN	
		R46	71805	GL	31	12	99	£000	OS	NL
		Life assurance and general annuity		Pensions business		Permanent health		Other business		
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8	
In force at beginning of year	11	2245	922			16	3			
New business and increases	12									
Net transfers and other alterations 'on'	13									
Total 'on' (12+13)	19									
Deaths	21	6	2							
Other insured events	22									
Maturities	23	3								
Surrenders	24									
Forfeitures	25	258	107			1				
Conversions to paid-up policies for reduced benefits	26									
Net transfers, expiries and other alterations 'off'	27	244	7			1				
Total 'off' (21 to 27)	29	511	117			2				
In force at end of year (11+19-29)	39	1734	805			14	3			

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

Name of company **Phoenix Assurance PLC**

Global business

United Kingdom business

Linked

Financial year ended **31st December 1999**

		Company registration number	GL/UK/CM	Period ended			Units	UK/OS	NL/LN	
		R46	71805	GL	31	12	99	£000	UK	NL
		Life assurance and general annuity		Pensions business		Permanent health		Other business		
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8	
In force at beginning of year	11	16029	1279	3						
New business and increases	12									
Net transfers and other alterations 'on'	13		84							
Total 'on' (12+13)	19		84							
Deaths	21	62								
Other insured events	22									
Maturities	23	179	13							
Surrenders	24	287	45							
Forfeitures	25	2								
Conversions to paid-up policies for reduced benefits	26									
Net transfers, expiries and other alterations 'off'	27	241								
Total 'off' (21 to 27)	29	771	59							
In force at end of year (11+19-29)	39	15258	1303	3						

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

Name of company **Phoenix Assurance PLC**

Global business

Overseas business

Linked

Financial year ended **31st December 1999**

Company registration number	GL/UK/CM	Period ended			Units	UK/OS	NL/LN
		day	month	year			

	R46	71805	GL	31	12	99	£000	OS	NL
		Life assurance and general annuity		Pensions business		Permanent health		Other business	
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums
		1	2	3	4	5	6	7	8
In force at beginning of year	11	41	7						
New business and increases	12								
Net transfers and other alterations 'on'	13								
Total 'on' (12+13)	19								
Deaths	21								
Other insured events	22								
Maturities	23	4							
Surrenders	24	1							
Forfeitures	25								
Conversions to paid-up policies for reduced benefits	26								
Net transfers, expiries and other alterations 'off'	27	1							
Total 'off' (21 to 27)	29	6							
In force at end of year (11+19-29)	39	35	6						

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

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

Company registration number	GL/UK/CM	Period ended			Units
		day	month	year	
<b>R47</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1999</b>	<b>£000</b>

Type of insurance	Single premium contracts				Regular premium contracts			
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit		
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>		
<b>UK DIRECT WRITTEN BUSINESS</b>								
Life Assurance & General Annuity Business					156			
Non-Linked Non-Profit Policies				20	677			553910
Term Assurance								
Group Life								
<b>Sub total: Non-Linked Non-Profit Policies</b>				<b>20</b>	<b>833</b>			<b>553910</b>
<b>Total: Life Assurance &amp; General Annuity Business</b>				<b>20</b>	<b>833</b>			<b>553910</b>



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

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

Company registration number	GL/UK/CM	Period ended			Units
		day	month	year	
<b>R47</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1999</b>	<b>£000</b>

Type of insurance	Single premium contracts				Regular premium contracts			
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit		
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>		
<b>Pension Business</b>								
<b>Non-Linked Non-Profit Policies</b>								
Term Assurance	466	3767	179 pa	3	2	912		
Immediate Annuity				1583	24030	16492776		
Group Life								
<b>Sub total: Non-Linked Non-Profit Policies</b>	<b>466</b>	<b>3767</b>	<b>179 pa</b>	<b>1586</b>	<b>24032</b>	<b>16493688</b>		
<b>Total: Pension Business</b>	<b>466</b>	<b>3767</b>	<b>179 pa</b>	<b>1586</b>	<b>24032</b>	<b>16493688</b>		

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

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

Company registration number	GL/JUK/CM	Period ended			Units
		day	month	year	
<b>R47</b>	<b>71805</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1999</b>
					<b>£000</b>

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
Permanent Health Insurance						
Non-Linked Non-Profit Policies						
Group PHI				901	9080	752197 pa
Group Critical Illness				35	218	93083
Other CIC				1	1	1
<b>Sub total: Non-Linked Non-Profit Policies</b>				<b>937</b>	<b>9299</b>	<b>93084</b>
<b>Total: Permanent Health Insurance</b>				<b>937</b>	<b>9299</b>	<b>752197 pa</b>
<b>Total: UK Direct Written Business</b>	<b>466</b>	<b>3767</b>	<b>179 pa</b>	<b>2643</b>	<b>34164</b>	<b>17140682</b>
						<b>752197 pa</b>

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

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

Company registration number	GL/UK/CM	Period ended			Units
		day	month	year	
<b>R47</b>	<b>71805</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1999</b>
					<b>£000</b>

Type of insurance	Single premium contracts			Regular premium contracts			
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit	
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	
<b>UK REINSURANCE ACCEPTED</b>							
Life Assurance & General Annuity Business							
Non-Linked Non-Profit Policies							
Term Assurance							
Other Assurance - Risk Premium Reassurance					5697	2171289	
Other Assurance - UPP Reassurance					2	46	
					320	86370	
<b>Sub total: Non-Linked Non-Profit Policies</b>				<b>18224</b>	<b>6019</b>	<b>2257705</b>	
<b>Total: Life Assurance &amp; General Annuity Business</b>				<b>18224</b>	<b>6019</b>	<b>2257705</b>	

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

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

Company registration number	GL/UK/CM	Period ended			Units
		day	month	year	
<b>R47</b>	<b>71805</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1999</b>
					<b>£000</b>

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
Pension Business						
Non-Linked Non-Profit Policies						
Term Assurance				674	213	43138
Group Term Assurance				54	46	5532
Sub total: Non-Linked Non-Profit Policies				728	259	48670
Total: Pension Business				728	259	48670

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

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

Company registration number	GL/UK/CM	Period ended			Units
		day	month	year	
<b>R47</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>1999</b>	<b>£000</b>

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
Permanent Health Insurance						
Non-Linked Non-Profit Policies						
Other Assurance - CIC Benefit					3106	2314341
Other Assurance - UPP Reassurance				8380	176	47558
Permanent Health Insurance					2214	71805 pa
<b>Sub total: Non-Linked Non-Profit Policies</b>				<b>8380</b>	<b>6496</b>	<b>2361899</b>
						<b>71805 pa</b>
<b>Total: Permanent Health Insurance</b>				<b>8380</b>	<b>6496</b>	<b>2361899</b>
						<b>71805 pa</b>
<b>Total: UK Reinsurance Accepted</b>				<b>27332</b>	<b>11774</b>	<b>4688274</b>
						<b>71805 pa</b>

**Long term business : Expected income from admissible assets not held to match liabilities in respect of linked benefits**

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

Category of assets **Total long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R48	71805	GL	31	12	1999	£000	10
Type of asset			Value of admissible assets as shown on Form 13 1		Expected income from admissible assets 2		Yield %  3		
Land and buildings			11	75649		8454		11.18	
Fixed interest securities	Approved securities		12	459002		31998		5.89	
	Other		13	202143		15502		6.54	
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities		14	13206		733		2.38	
	Other		15	4158		641		4.70	
Equity shares and holdings in collective investment schemes			16	1364730		31389		2.30	
Loans secured by mortgages			17	2116		182		8.58	
All other assets	Producing income		18	14548		836		5.75	
	Not producing income		19	66754					
Total (11 to 19)			29	2202306		89735		3.71	

Long term business: Analysis of admissible fixed interest and variable yield securities not held to match liabilities in respect of linked benefits

Name of company Phoenix Assurance Plc

Global business

Financial year ended 31st December 1999

Category of assets Total long term business assets

Redemption period in years	Company registration number	GL/UK/CM	Period ended			Units	Category of assets
			day	month	year		
	R49	71805	GL	31	12	1999	£000
		Value of admissible assets as shown on Form 13	Gross redemption yield %	Value of admissible higher yielding assets	Value of admissible assets as shown on Form 13	Gross redemption yield %	Value of admissible higher yielding assets
		1	2	3	4	5	6
One year or less	11						
More than one year but not more than five years	12	136861	6.41	2161	509	8.36	509
More than five years but not more than ten years	13	206194	5.92		2067	2.16	
More than ten years but not more than fifteen years	14	56490	5.43		6331	2.16	
More than fifteen years but not more than twenty years	15	28491	5.05		4299	2.10	
More than twenty years but not more than twenty five years	16	15086	5.48				
More than twenty five years	17	15880	4.60				
Irredeemable	18						
Total (11 to 18)	19	459002	5.89	2161	13206	2.38	509
One year or less	21	10313	5.73				
More than one year but not more than five years	22	44865	6.98	3900	77	-33.60	
More than five years but not more than ten years	23	43372	6.80	561			
More than ten years but not more than fifteen years	24	24055	6.59				
More than fifteen years but not more than twenty years	25	16209	6.38	798	977	7.62	977
More than twenty years but not more than twenty five years	26	42045	6.12		851	5.82	
More than twenty five years	27	21260	6.34		2253	4.32	
Irredeemable	28	24	6.81				
Total (21 to 28)	29	202143	6.54	5260	4158	4.70	977

## Returns under Insurance Companies Legislation

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Life Assurance &amp; General Annuity Business

Category of surplus

11: Participation Fund

Type of insurance or name of contract		Valuation basis		Company registration number	GL/JUK/CM	Period ended			Units	UK/OS		Type of business	Category of surplus
						day	month	year		UK	L&GA		
1	2	3	4	5	6	7	8	9	10	11	12		
Individual business (compound bonus)													
Whole life	1.00	AM80/AF80	783	9783	94	60	0.363	8561	1395	869	7676		
Endowment	1.00	AM80/AF80	2640	26499	305	237	0.223	25267	1690	1314	23953		
Pure endowment	1.00	AM80/AF80	2	33	15	10	0.364	33	74	63	33		
Endowment plus pure endowment	1.00	AM80/AF80	13	102	2			94			38		
Extra Premiums								2			2		
Sub total: With Profit contracts			3438	36417	416	307	0.262	33957	3159	2246	31701		
Individual business													
Whole life	3.25	AM80/AF80	40	426				291			291		
Endowment	3.25	AM80/AF80	39	154				133			133		
Term (aggregate)	3.25	AM80/AF80	1	45			0.025	5	3	3	2		
Term (non-smoker)	3.25	AM80/AF80	330	1568	6	3	0.437	33	27	16	17		
Extra Premiums					1			1			1		
Additional mortality reserve								7			7		



## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Life Assurance &amp; General Annuity Business

Category of surplus

11:Participation Fund

Company registration number				GL/UK/CM	Period ended			Units	UKOS		Type of business	Category of surplus			
Type of insurance or name of contract				Valuation basis	R51	71805	GL	day	month	year	£000	Value of annual premiums	L&GA	11	
								31	12	1999					Value of sums assured or annuities per annum, including vested reversionary bonuses
1				2	3	4	5	6	7	8	9	10	11	12	
IBNR Reserve														39	
Sub total: Non Profit contracts						410	2193		7	4		508	30	20	489
Sub total: Direct Written Business						3848	38610	423	310			34465	3190	2265	32190
Individual business (compound bonus)															
Whole life				1.00	AM80/AF80	2	22			0.027	6	2	1	21	
Endowment				1.00	AM80/AF80	2304	25876	1280	1048	0.181	23648	11219	9013	14635	
Endowment plus pure endowment				1.00	AM80/AF80	248	2195	215	184	0.142	1944	1415	1209	735	
Extra Premiums								1			1			1	
Sub total: With Profit contracts						2554	28093	1496	1233		25599	12635	10223	15392	
Individual business															
Whole life				3.25	AM80/AF80	58	328	4	3	0.307	205	54	38	168	
Endowment				3.25	AM80/AF80	2	120				120			120	
Term (aggregate)				3.25	AM80/AF80	114	6137	22	10	0.531	118	80	41	77	
Term (smoker)				3.25	AM80/AF80	28	1830	11	4	0.583	35	50	17	19	

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Life Assurance &amp; General Annuity Business

Category of surplus

11: Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended			Units	UK/OS		Type of business	Category of surplus								
	Rate of interest	Mortality or morbidity table			2	3	4		5	GL			31	12	1999	£000	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums	Office premiums	Net premiums
1																				
Term (non-smoker)	3.25	AM80/AF80	82	7665	19	10	0.453	135	107	61	74									
Extra Premiums					1			1			1									
Sub total: Non Profit contracts			284	16080	56	28		613	291	155	458									
Sub total: Reassurance Accepted			2838	44174	1553	1261		26212	12926	10378	16850									
Individual business (compound bonus)																				
Whole life	1.00	AM80/AF80		803	10	6	0.319	698	135	91	607									
Endowment	1.00	AM80/AF80		1970	39	30	0.230	1881	166	127	1754									
Extra Premiums					1			1			1									
Sub total: With Profit contracts				2773	50	36		2579	301	217	2362									
Individual business																				
Whole life	3.25	AM80/AF80		150				206			206									
Term (non-smoker)	3.25	AM80/AF80		14	1		0.545		2											
Sub total: Non Profit contracts				164	1	1		206	2		206									
Sub total: Reassurance Ceded				2937	50	37		2785	302	218	2567									

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended  
31st December 1999Type of business  
Life Assurance & General Annuity BusinessCategory of surplus  
11: Participation Fund

Type of insurance or name of contract		R51	Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Type of business		Category of surplus
					day	month	year					
					31	12	1999			UK	L&GA	
1	Valuation basis	Rate of interest	No of contracts	GL	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums	Value of annual premiums		Amount of mathematical reserves
					Office premiums	Net premiums				Office premiums	Net premiums	
		2	4	5	6	7	8	9	10	11	12	
Net total: Life Assurance & General Annuity Business			6686	79846	1925	1535			15814	12426		45473

## Returns under Insurance Companies Legislation

Form 51  
(Sheet 5)

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Pension Business

Category of surplus

11:Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended			Units	UK/OS		Type of business	Category of surplus
					day	month	year					
1	2	3	R51	71805	GL	31	12	1999	£000	UK	Pens	11
				No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table				Office premiums	Net premiums			Office premiums	Net premiums	
Group business (cash bonus)												
Retirement Fund	3.00	AM80/AF80		57	6051 pa				35552			35552
Sub total: With Profit contracts				57	6051 pa				35552			35552
Sub total: Reassurance Accepted				57	6051 pa				35552			35552
Net total: Pension Business				57	6051 pa				35552			35552
Net total: United Kingdom business				6743	79846 6051 pa	1925	1535		93444	15814	12426	81025

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

Overseas business

Financial year ended

Type of business

Category of surplus

31st December 1999

Life Assurance &amp; General Annuity Business

11: Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Type of business	Category of surplus								
	Rate of Interest	Mortality or morbidity table			R51	71805	GL					31	12	1999	£000	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums	L&GA	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12								
Individual business (compound bonus)																			
Whole life	1.00	AM80VAF80	1	45			0.342	40	4	2	37								
Endowment	1.00	AM80VAF80	3	42	2	1	0.206	42	2	2	40								
Sub total: With Profit contracts			4	87	2	1		82	6	4	78								
Individual business																			
Extra Premiums																			
Sub total: Non Profit contracts																			
Sub total: Direct Written Business			4	87	2	1		82	6	4	78								
Individual business																			
Term (aggregate)	3.25	AM80VAF80	6	131			0.324	5	2	2	3								
Term (smoker)	3.25	AM80VAF80	1	45			0.025	5	3	3	2								
Term (non-smoker)	3.25	AM80VAF80	11	1492	9	3	0.688	41	67	20	21								
Extra premiums																			
Sub total: Non Profit contracts			18	1667	10	3		51	73	25	26								

Returns under Insurance Companies Legislation

Form 51  
(Sheet 7)

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**

Name of company  
Phoenix Assurance PLC

Global business

Overseas business

Financial year ended

31st December 1999

Type of business  
Life Assurance & General Annuity Business

Category of surplus  
11: Participation Fund

Company registration number										GL/UK/CM		Period ended		Units		UK/OS		Type of business		Category of surplus															
71805										GL		day		month		year		£000		OS		L&GA		11											
Type of insurance or name of contract										Valuation basis		No of contracts		Amount of sums assured or annuities per annum, including vested reversionary bonuses		Amount of annual premiums		Proportion of office premiums reserved for expenses and		Value of sums assured or annuities per annum, including vested reversionary bonuses		Value of annual premiums		Amount of mathematical reserves											
1										Rate of interest		Mortality or morbidity table		3		4		5		Office premiums		Net premiums		7		8		9		10		11		12	
Sub total: Reassurance Accepted										18		1667		10		3						51		73		25		26							
Net total: Life Assurance & General Annuity Business										22		1755		12		5						133		79		29		104							
Net total: Overseas business										22		1755		12		5						133		79		29		104							

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended  
31st December 1999Type of business  
Life Assurance & General Annuity BusinessCategory of surplus  
12: Non-Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended month			Units	UK/OS		Type of business	Category of surplus											
	R51				71805	GL	31		12	1999			£000	UK	L&GA	12							
	Rate of interest																Mortality or morbidity table	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums	
	2	3																4	5			6	7
1																							
Individual business																							
Whole life	3.25	AM80/AF80	4742	21328	374	284	0.241	13846	4213	3188	10658												
Endowment	3.25	AM80/AF80	613	3155	62	45	0.275	2956	294	202	2754												
Endowment plus pure endowment	3.25	AM80/AF80	10	16			0.025	28			27												
Term (aggregate)	3.25	AM80/AF80	14956	300663	1038	548	0.472	6750	4364	2354	4398												
Term (smoker)	3.25	AM80/AF80	5206	163681	958	469	0.511	5435	5673	2750	2686												
Term (non-smoker)	3.25	AM80/AF80	30742	1257334	5871	2442	0.584	27816	33716	13971	13844												
Extra Premiums					87			87			87												
Miscellaneous																							
Term	3.25	AM80/AF80	3	87																			
Other	3.25	AM80/AF80	112	2708	1			293			293												
				82 pa																			
Annuities written before 1st January 1992																							
Deferred annuities	4.25	AM/F80 :PMA/F80	34	2 pa			0.114	24	1	1	23												
Annuities in payment	4.25	PMA80/PFA80	876	346 pa				2680			2680												

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company

Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Life Assurance &amp; General Annuity Business

Category of surplus

12: Non-Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended			Units	UK/OS		Type of business	Category of surplus	
					day		month		year				
					31	12	1999		£000	UK			L&GA
	Rate of interest	Mortality or morbidity table			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits		Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums			Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12		
Reversionary annuities	4.25	PMA80/PFA80	8	18 pa	1	1	0.099	58	6	5	53		
Group business													
Whole life	3.25	AM80/AF80	74	192	3	3	0.247	142	21	16	126		
Endowment	3.25	AM80/AF80	20	14				12			12		
Endowment plus pure endowment	3.25	AM80/AF80	7	8			0.025	15			15		
Group life			410	3839908		6211		4635			4635		
Group whole life	3.25	AM80/AF80	1	1881				1293			1293		
Group term			31	119275		41		2677			2677		
Miscellaneous													
Term			1	90425		168							
Other			27	145				142			142		
Annuities written before 1st January 1992													
Deferred annuities	4.25	AM/F80 : PM/F80	143	36 pa				443			443		
Annuities in payment	4.25	PMA80/PFA80	199	31 pa				305			305		
Miscellaneous													



**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Life Assurance &amp; General Annuity Business

Category of surplus

12: Non-Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended			Units	UK/OS		Type of business	Category of surplus
					day	month	year					
R51				71805	GL	Amount of annual premiums		£000	Value of annual premiums		12	
				No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Proportion of office premiums reserved for expenses and profits		Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves	
				Rate of interest	Mortality or morbidity table	Office premiums	Net premiums	Office premiums	Net premiums	Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12	
Other			8	1 pa				9			9	
Additional mortality reserve								1238			1238	
Closed Fund Reserve								7706			7706	
IBNR Reserve								792			792	
Sub total: Non Profit contracts			58223	5800822	14815	3791		79382	48288	22487	56897	
Sub total: Direct Written Business			58223	5800822	14815	3791		79382	48288	22487	56897	
Individual business				515 pa								
Endowment	3.25	AM80/AF80	1	10			0.309	5	3	2	3	
Term (aggregate)	3.25	AM80/AF80	9	796	5	2	0.528	14	14	8	6	
Term (smoker)	3.25	AM80/AF80	13022	527657	3085	1840	0.404	23407	26186	15529	7878	
Term (non-smoker)	3.25	AM80/AF80	49477	2703101	11271	6231	0.447	77941	92419	50900	27041	
Progressive Protection			1	7507480	13643			13643			13643	
Extra Premiums					506			506			506	

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Form 51  
(Sheet 11)Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Life Assurance &amp; General Annuity Business

Category of surplus

12: Non-Participation Fund

Type of insurance or name of contract			Valuation basis		Company registration number	GL/JUK/CM	Period ended		Units	UK/OS		Type of business	Category of surplus
			Rate of interest	Mortality or morbidity table			day	month		year	UK		
												1	2
R51													
Miscellaneous													
UPP - risk premium reassurances													
MSP/ESP - risk premium reassurances													
Term													
Annuities written before 1st January 1992													
Deferred Annuities													
Reversionary Annuities													
Group business													
Whole life													
Sub total: Non Profit contracts													
Sub total: Reassurance Accepted													
Individual business													
Whole life													

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business  
Life Assurance & General Annuity BusinessCategory of surplus  
12: Non-Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended			Units	UK/OS		Type of business	Category of surplus			
	Rate of interest	Mortality or morbidity table			R51	71805	GL		day	month			year	UK	L&GA
1	2	3	4	5	6	7	8	9	10	11	12	12			
Endowment	3.25	AM80/AF80		731			0.080		1	1		728			
Term (aggregate)	3.25	AM80/AF80		31347	79	41	0.489		260	147		347			
Term (smoker)	3.25	AM80/AF80		13000	127	31	0.757		669	161		201			
Term (non-smoker)	3.25	AM80/AF80		75787	277	132	0.523		1374	693		800			
Progressive Protection				458575	581							581			
Extra Premiums					72							72			
Miscellaneous															
Other	3.25	AM80/AF80		100								1			
Annuities written before 1st January 1992															
Annuities in payment	4.25	PMA80/PFA80		1 pa								5			
Group business															
Whole life	3.25	AM80/AF80		34								26			
Group life				20482	22							2			
Sub total: Non Profit contracts				602340	1195	229			2691	1292		3809			
				1 pa											

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**

Name of company	Phoenix Assurance PLC
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## Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business  
Life Assurance & General Annuity Business

Category of surplus

Company registration number			GLUK/CM		Period ended		Units	UKIOS	Type of business	Category of surplus					
					day	month					year				
Type of insurance or name of contract	Valuation basis	R51	71805	GL	Amount of sums assured or annuities per annum, including vested reversionary bonuses	12	1999	£000	UK	L&GA	Amount of mathematical reserves				
									31	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums	
														Office premiums	Net premiums
1	2	3	4	5	6	7	8	9	10	11	12				
Sub total: Reassurance Ceded															
Net total: Life Assurance & General Annuity Business															

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Phoenix Assurance PLC

Name of company

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Pension Business

Category of surplus

12:Non-Participation Fund

Category of surplus	Type of business	UK/OS	Period ended				Units	Value of annual premiums	Type of business	Category of surplus													
			year		month																		
			day		month																		
			year		month																		
Company registration number		GL/UK/CM		day		month		year		Units		Value of annual premiums		Type of business		Category of surplus							
R51		71805		GL		Amount of sums assured or annuities per annum, including vested reversionary bonuses		12		1999		Value of sums assured or annuities per annum, including vested reversionary bonuses		Value of annual premiums		Amount of mathematical reserves							
Type of insurance or name of contract		Valuation basis		No of contracts		Amount of annual premiums		Proportion of office premiums reserved for expenses and profits		Value of sums assured or annuities per annum, including vested reversionary bonuses		Value of annual premiums		Type of business		Category of surplus							
1		2		3		4		5		6		7		8		9		10		11		12	
Rate of interest		Mortality or morbidity table		3		4		5		6		7		8		9		10		11		12	
Individual business		4.25		AM80/AF80		2961		108235		374		241		0.356		4504		1945		1279		3225	
Term (aggregate)		4.25		AM80/AF80		1689		147777		611		379		0.380		5869		3710		2292		3577	
Term (smoker)		4.25		AM80/AF80		5157		310330		1382		701		0.493		11028		9690		4905		6123	
Term (non-smoker)		4.25		AMF90 PMF/A80		58		21 pa								171						171	
Deferred annuities		4.25		PMA80/PFA80		2531		2067 pa								22308						22308	
Annuities in payment		4.25		PMA80/PFA80		3819		63 pa		1456						51946						51946	
Reversionary annuities		4.25								38						38						38	
PPSE																							
Extra Premiums																							
Group business																							
Term (aggregate)		4.25		AM80/AF80		49		833		6		2		0.590		15		24		10		6	
Term (smoker)		4.25		AM80/AF80		165		11421		58		47		0.186		605		343		283		323	
Term (non-smoker)		4.25		AM80/AF80		1038		85380		335		229		0.316		2842		1963		1332		1511	
Deferred annuities		4.25		AMF90 PMF/A80		450		2530 pa								26036						26036	
Annuities in payment		4.25		PMA80/PFA80		10665		17621 pa								316778						316778	

Returns under Insurance Companies Legislation

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**

Name of company Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Pension Business

Category of surplus

12: Non-Participation Fund

Category of surplus	Type of business	UK/OS	Period ended				Units	Value of sums assured or annuities per annum, including vested reversionary bonuses	Type of business	Category of surplus	
			day	month	year	year					
Company registration number		GL/UK/CM		day		month		year		year	
71805		GL		31		12		1999		£000	
R51		No of contracts		Amount of sums assured or annuities per annum, including vested reversionary bonuses		Amount of annual premiums		Proportion of office premiums reserved for expenses and profits		Value of sums assured or annuities per annum, including vested reversionary bonuses	
Valuation basis		Rate of interest		Mortality or morbidity table		Office premiums		Net premiums		Office premiums	
1		2		3		4		5		6	
7		8		9		10		11		12	
Reversionary annuities	4.25	PMA80/PFA80	26	6922 pa	1	1	0.100	25277	7	6	25272
Growth Fund			32					12759			12759
EPP			462		142			14817			14817
VPP			482		240			5406			5406
Group life			5991	72694976	96743			107074			107074
Extra Premiums					2362			2362			2362
Miscellaneous											
Deferred annuities			132	140 pa				2316			2316
Term			6	876	4			8			8
Additional mortality reserve								247			247
IBNR Reserve								2300			2300
Sub total: Non Profit contracts			35713	73359828	103752	1600		614960	17681	10106	604856
Sub total: Direct Written Business			35713	73359828	103752	1600		614960	17681	10106	604856

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Pension Business

Category of surplus

12: Non-Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended			Units	UK/OS		Type of business		Category of surplus
					day	month	year						
	R51	71805	GL	31	12	1999	£000	UK	Pens	12			
1	2	3	4	5	6	7	8	9	10	11	12		
Individual business													
Term (aggregate)	4.25	AM80/AF80	4	136	1		0.199		5	4	6		
Term (smoker)	4.25	AM80/AF80	808	40524	205	124	0.396	1044	726	530	514		
Term (non-smoker)	4.25	AM80/AF80	3445	227572	881	462	0.476	5010	3883	2396	2614		
Annuities in payment	4.25	PMA80/PFA80	46	148 pa				1676			1676		
Reversionary annuities	4.25	PMA80/PFA80		26 pa				132			132		
Extra Premiums					20			20			20		
Miscellaneous													
Risk premium reassurances			2	128087	225			64			64		
Group business													
Term (aggregate)	4.25	AM80/AF80	1	20			0.351	1	1		1		
Term (smoker)	4.25	AM80/AF80	132	9713	68	51	0.246	650	606	435	215		
Term (non-smoker)	4.25	AM80/AF80	728	70798	366	228	0.376	2650	2831	1656	994		
Annuities in payment	4.25	PMA80/PFA80	140	565 pa				5835			5835		
Reversionary annuities	4.25	PMA80/PFA80		167 pa				1763			1763		

Returns under Insurance Companies Legislation

Form 51  
(Sheet 17)

Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Pension Business

Category of surplus

12:Non-Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/JUK/CM	Period ended			Units	UK/OS		Type of business	Category of surplus
					day	month	year					
	1	2	3	4	5	31	12	1999	£000	Value of annual premiums	Pens	Amount of mathematical reserves
Extra Premiums						17			17			17
Miscellaneous												
Term			1		30651	54		0.238	3	2	1	2
Risk premium reassurances			3		507503	1837	866		15			15
Sub total: Non Profit contracts			5310		907 pa				18890	8054	5023	13866
Sub total: Reassurance Accepted			5310		507503	1837	866		18890	8054	5023	13866
Individual business					907 pa							
Term (aggregate)	4.25	AM80/AF80			4560	17	12	0.318	194	82	62	132
Term (smoker)	4.25	AM80/AF80			16195	48	33	0.319	533	264	184	348
Term (non-smoker)	4.25	AM80/AF80			14162	61	35	0.425	505	357	200	305
Annuities in payment	4.25	PMA80/PFA80			1 pa				4			4
Extra Premiums						20			20			20
Group business												



## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Pension Business

Category of surplus

12: Non-Participation Fund

Category of surplus	Type of business	UK/OS	Units	Period ended				GL/UKC/M	Company registration number	Valuation basis				Type of insurance or name of contract	Category of surplus										
				UK	Pens	Amount of mathematical reserves	Value of annual premiums			Net premiums	Office premiums	Value of sums assured or annuities per annum, including vested reversionary bonuses	Proportion of office premiums reserved for expenses and profits			12	31	day	month	year					
																					12	31	day	month	year

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**

Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended

31st December 1999

Type of business

Permanent Health Insurance

Category of surplus

12: Non-Participation Fund

Type of insurance or name of contract		Valuation basis		Company registration number		GLUK/CM		Period ended			Units		UKOS		Type of business		Category of surplus	
								day	month	year								
								31	12	1999								
1		R51		71805		GL		Amount of annual premiums		Proportion of office premiums reserved for expenses and profits		£000		Value of annual premiums		Amount of mathematical reserves		
		Rate of interest		Mortality or morbidity table		Amount of sums assured or annuities per annum, including vested reversionary bonuses		Office premiums		Net premiums		Office premiums		Net premiums				
		2	3	4	5	6	7	8	9	10	11	12						
Individual business																		
Permanent Health Insurance		4.25	(a)	5175	59450 pa	893	833	0.067	27241	7579	7181	20060						
Extra premiums						65			65			65						
Group business																		
Level annual premium		4.25	(a)	2	15 pa			0.129	35	2	2	33						
Current cost		4.25		2312	3969530 pa	47342			72396			72396						
Current cost claims		4.25							235695			235695						
Critical Illness				87	281406	583			658			658						
Additional morbidity reserve									22572			22572						
Closed Fund Reserve									7050			7050						
Sub total: Non Profit contracts				7576	281406	48882	833		365711	7581	7183	358528						
					4028995 pa													
Sub total: Direct Written Business				7576	281406	48882	833		365711	7581	7183	358528						
					4028995 pa													
Individual business																		
Permanent Health Insurance		4.25	(a)	48212	530857 pa	12209	10675	0.126	284051	214918	187719	96332						

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended  
31st December 1999Type of business  
Permanent Health InsuranceCategory of surplus  
12: Non-Participation Fund

Category of surplus	Type of business	UK/OS	Units	Period ended				Company registration number	GL/UK/CM	year			Amount of mathematical reserves
				day	month	12	1999			Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums	PHI	
Type of insurance or name of contract													
1	2	3	R51	71805	GL	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums	PHI	12	
						Office premiums	Net premiums						
Extra premiums						2026			2026			2026	
Miscellaneous													
UPP - Living Benefit					630607	987			271			271	
UPP - Medical Expenses Benefit					6920	30			8			8	
Prog've Prof'n - CIC Benefit					2175760	6568			6568			6568	
Sub total: Non Profit contracts				48212	2813287	21820	10675		292924	214918	187719	105205	
Sub total: Reassurance Accepted				48212	2813287	21820	10675		292924	214918	187719	105205	
Individual business													
Permanent Health Insurance	4.25	(a)				49	45	0.081	1295	342	317	977	
Extra premiums						4			4			4	
Miscellaneous													
UPP - Living Benefit					315303	493			136			136	
UPP - Medical Expenses Benefit					3460	15			4			4	
Prog've Prof'n - CIC Benefit					114693	286			286			286	

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**

**Phoenix Assurance PLC**

Global business  
United Kingdom business

31st December 1999

## Permanent Health Insurance

## 12:Non-Participation Fund

Category of surplus

Type of insurance or name of contract	Company registration number	GLU/UK/CM	Period ended			Units	UK/OS	Type of business		Category of surplus							
			day	year	month			UK	PHI								
1	R51	71805	GL	Amount of sums assured or annuities per annum, including vested reversionary bonuses	31	12	1999	Proportion of office premiums reserved for expenses and profits	£000	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums	PHI	12				
														Rate of interest	Mortality or morbidity table	Office premiums	Net premiums
Group business																	
Current cost	4.25		1345038 pa	16096					23848				23848				
Current cost claims	4.25	(a)	104874	182					80367				80367				
Critical illness			538331	17125	45				182				182				
Sub total: Non Profit contracts			1348570 pa						106121		342	317	105804				
Sub total: Reassurance Ceded			538331	17125	45				106121		342	317	105804				
Net total: Permanent Health Insurance		55788	2556361	53577	11464				552514		222156	194584	357929				
Net total: United Kingdom Business		217737	92462694	199862	125130				1373037		411202	296797	1076244				

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company

Phoenix Assurance PLC

Global business

Overseas business

Financial year ended

31st December 1999

Type of business

Life Assurance &amp; General Annuity Business

Category of surplus

12: Non-Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended			Units	UK/OS		Type of business	Category of surplus	
					day	month	year						
									31	12			1999
1	2	3	71805	GL	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	OS	L&GA	12		
			No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses					Value of annual premiums		Amount of mathematical reserves		
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums			
<u>Individual business</u>													
Whole life	3.25	AM80/AF80	7	38	1	1	0.126	23	5	4	19		
Term (aggregate)	3.25	AM80/AF80	135	4239	12	7	0.405	95	52	32	64		
Term (smoker)	3.25	AM80/AF80	23	2305	21	11	0.482	131	188	102	30		
Term (non-smoker)	3.25	AM80/AF80	166	18308	109	36	0.670	412	768	246	165		
Extra premiums					1			1			1		
Miscellaneous													
Other	3.25	AM80/AF80	1	12				1			1		
<u>Group business</u>													
Group life			71	534267	2003			672			672		
Additional mortality reserve								3			3		
Sub total: Non Profit contracts			403	559169	2147	54		1338	1012	384	955		
Sub total: Direct Written Business			403	559169	2147	54		1338	1012	384	955		
<u>Individual business</u>													
Term (smoker)	3.25	AM80/AF80	174	18270	101	60	0.404	679	861	517	162		

**Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)**Name of company  
Phoenix Assurance PLC

Global business

Overseas business

Financial year ended

31st December 1999

Type of business

Life Assurance &amp; General Annuity Business

Category of surplus

12: Non-Participation Fund

Category of surplus	Type of business	UK/OS	Period ended				Units	Value of annual premiums	Category of surplus		
			day		month					year	
			31	12	1999	£000				OS	L&GA
Type of insurance or name of contract											
Valuation basis	Rate of interest	Mortality or morbidity table	71805	GL	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Office premiums	Net premiums	
					31	12					
1	2	3	4	5	6	7	8	9	10	11	12
Term (non-smoker)	3.25	AM80/AF80	1200	131366	519	304	0.415	3364	4336	2555	809
Extra premiums					28			28			28
Miscellaneous											
Term	3.25	AM80/AF80	5	636	2	1	0.312	16	19	14	3
Other	3.25	AM80/AF80	1	79			0.426	4	5	3	1
Group business											
Group life											
Treaty with guaranteed reserve				786346	1815			859			859
Sub total: Non Profit contracts			1387	31303	1507			17505	5221	3088	17505
Sub total: Reassurance Accepted				967999	3973	366		22455			19367
Individual business			1387	967999	3973	366		22455	5221	3088	19367
Term (aggregate)	3.25	AM80/AF80		270	1		0.420	5	3	2	3
Term (smoker)	3.25	AM80/AF80		45			0.025	5	3	3	2
Term (non-smoker)	3.25	AM80/AF80		3690	29	9	0.693	105	204	58	47
Extra premiums											

## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

Overseas business

Financial year ended

31st December 1999

Type of business  
Life Assurance & General Annuity BusinessCategory of surplus  
12: Non-Participation Fund

Category of surplus	Type of business	UK/OS	Units	Period ended			GL/UK/CM	Company registration number	Type of insurance or name of contract									
				day	month	year												
Amount of mathematical reserves	L&GA	OS	£000	Value of sums assured or annuities per annum, including vested reversionary bonuses	Proportion of office premiums reserved for expenses and profits	12	1999	Amount of sums assured or annuities per annum, including vested reversionary bonuses	1									
										Value of annual premiums	11	12	1999	Amount of annual premiums	12	1999	Amount of sums assured or annuities per annum, including vested reversionary bonuses	12
	Office premiums	Net premiums	Office premiums	Net premiums	Office premiums	Net premiums	Office premiums	Net premiums	Office premiums									
	12	63	210	116	9	8	7		4005	4	5	6	7	8	9	10	11	12
	52	63	210	116	9		9		4005			30	9			210	63	52
20270	3409	6024	23677	411		411		1523164	1790		6090				6024	3409	20270	
Sub total: Non Profit contracts																		
Sub total: Reassurance Ceded																		
Net total: Life Assurance & General Annuity Business																		

Returns under Insurance Companies Legislation

Form 51  
(Sheet 25)

Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company Phoenix Assurance PLC

Global business

Overseas business

Financial year ended

31st December 1999

Type of business

Permanent Health Insurance

Category of surplus

12: Non-Participation Fund

Type of insurance or name of contract	Valuation basis		Company registration number	GL/UK/CM	Period ended		Units	UK/OS		Type of business	Category of surplus	
					day	month		Year	OS			PHI
1	2	3	4	5	Amount of annual premiums		£000	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums	PHI	Amount of mathematical reserves	
					Rate of interest	Mortality or morbidity table						Office premiums
Individual business	4.25	(a)	14	219 pa	3	3	3	0.016	107	29	27	80
Permanent Health Insurance									8			8
Additional morbidity reserve									115	29	27	88
Sub total: Non Profit contracts												
Sub total: Direct Written Business			14	219 pa	3	3	3		115	29	27	88
Group business												
Level annual premium			1	91889 pa	2283	1734		0.241	51146	49650	37709	16556
Sub total: Non Profit contracts			1	91889 pa	2283	1734			51146	49650	37709	16556
Sub total: Reassurance Accepted			1		2283	1734			51146	49650	37709	16556
Individual business	4.25	(a)		91889 pa								
Permanent Health Insurance				9 pa				0.024	5	1	1	4



## Long term business: Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of company  
Phoenix Assurance PLC

Global business

Overseas business

Financial year ended

31st December 1999

Type of business  
Permanent Health InsuranceCategory of surplus  
12: Non-Participation Fund

Type of insurance or name of contract			Valuation basis		Company registration number	GL/UK/CM	Period ended			Units	UK/OS		Type of business	Category of surplus
							day	month	year		OS	PHI		
1			Rate of interest	Mortality or morbidity table	71805	GL	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Office premiums	Net premiums	Value of annual premiums	Amount of mathematical reserves
2				3	4	5	6	7	8	9	10	11	12	
Sub total: Non Profit contracts							9 pa			5	1	1	1	4
Sub total: Reassurance Ceded							9 pa			5	1	1	1	4
Net total: Permanent Health Insurance					15	92098 pa	2286	1737		51256	49677	37735	16641	
Net total: Overseas business					1805	1523164 92098 pa	8376	2147		74933	55701	41144	36910	

Returns under Insurance Companies Legislation  
**Long term business: Valuation summary of accumulating with-profit policies**

Name of company **Phoenix Assurance PLC**

Global business

United Kingdom business

Financial year ended **31st December 1999**

Type of business **Pension Business**

Category of surplus **11: Participation Fund**

Company registration number															Period ended			UK/OS		Type of business		Category of surplus								
R5271805															GL/UK/CM		day		month		year		Units		UK		Pens		Amount of mathematical reserves	
															GL		31		12		1999		£000		Investment liability		Other liabilities		Options and guarantees other than investment performance	
Name of contract		Valuation basis		No of contracts		Amount of sums assured or annuities per annum, including vested reversionary bonuses		Guaranteed on death		Current on death / current payable per annum		Guaranteed on maturity		Amount of annual premiums		Proportion of office premiums reserved for expenses and profits		Current benefit value		Discounted value		Mortality and expenses		Options and guarantees other than investment performance		Amount of mathematical reserves				
1		2		3		4		5		6		7		8		9		10		11		12		13		14		15		
Unitised With Profits Group Business																														
UWP Group Pensions						57								5238						118392		118392		31				118423		
Sub total: Reassurance Accepted Business						57								5238						118392		118392		31				118423		
Net Total: Pension Business						57								5238						118392		118392		31				118423		
Net Total: United Kingdom Business						57								5238						118392		118392		31				118423		

## Long term business: Valuation summary of property linked contracts

Name of company **Phoenix Assurance PLC**

Global business

United Kingdom business

Financial year ended

**31st December 1999**

Type of business

**Life Assurance & General Annuity Business**

Category of surplus

**12: Non Participation Fund**

Category of surplus															12: Non Participation Fund															Period ended															Category of surplus														
Name of contract															Valuation basis			No of contracts		Amount of sums assured or annuities per annum, including vested reversionary bonuses										GLUK/CM		day		month		year		Units		UK/OS		Type of business		Category of surplus															
																				R53		71805		GL		31		12		1999		£000		UK		L&GA																							
1															2		3		4		5		6		7		8		9		10		11		12		13		14		15																		
Individual business																																																											
Wealth Assured Contracts																			650		13536		13536																																				
Bonds																			5924		33676		61196		33676		982																																
Endowment																			379		164		1191				20																																
Ten + Ten Endowment																			296		3948		5324				302																																
Miscellaneous																																																											
Maturity & Surrender Guarantee																																																											
Sub total: Non Profit contracts																			7249		51324		81247		33676		1303				75857		75857		476		1250		77583																				
Sub total: Direct Written Business																			7249		51324		81247		33676		1303				75857		75857		476		1250		77583																				
Group business																																																											
Save & Prosper																	1				608		8727				36												9076																				
Whole Life Assurance																					754		4117		120		21										1		4133																				
Endowment																					25		324		25		2								6		477																						
Miscellaneous																																																											

## Long term business: Valuation summary of property linked contracts

Name of company **Phoenix Assurance PLC**

Global business

United Kingdom business

Financial year ended **31st December 1999**

Type of business

**Life Assurance & General Annuity Business**

Period ended

Category of surplus **12: Non Participation Fund**Company  
registration  
number

71805															business surplus						
Name of contract			Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses				GL		31		12	1999		£000	UK	L&GA	12	
			Rate of interest	Mortality or morbidity table						Amount of annual premiums		Category of unit link		Unit liability			Other liabilities		Amount of mathematical reserves		
1			2	3	4	Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums	10		11	12	13	14			15		
Royal & Sun Alliance Linked Insurances Limited Whole Life Assurance Life Bond Single Premium Policy Haven Whole Life Policy Endowment Acorn Endowment Policy Equity Endowment  Sub Total: Non Profit contracts					1	64	992				AUT	992	992		2				994		
						230	1231				AUT	1231	1231		2				1233		
						1566	4758	38			AUT	4758	4758		24				4781		
						19	188				AUT	188	188							189	
						527	3402	17			AUT	3402	3402		11				3413		
						240	2137	7			AUT	2137	2137		5				2142		
						22	341			Internal Fund	341	341		1					342		
					2	4055	26217	930	122			26728	26728		51				26780		
			Sub total: Reassurance Accepted					2	4055	26217	930	122				26728	26728	51			26780

Long term business: Valuation summary of property linked contracts

Name of company Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended 31st December 1999

Type of business Life Assurance & General Annuity Business

Category of surplus 12: Non Participation Fund

12: Non Participation Fund										Company registration number		GL/UK/GM		day month year		Units		UKOS		Type of business		Category of surplus												
Name of contract										Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			R53		71805		GL		31		12		1999		£000		UK		L&GA		Amount of mathematical reserves
										Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums	Amount of annual premiums		Category of unit link		Unit liability		Other liabilities										
1	2	3	4	5	6	7	8	9	10	11	12	13		14		15																		
<u>Individual business</u>																																		
Wealth Assured Contracts																																		
Bonds										12378																				12265				
Endowment										58134										982										57848				
Ten + Ten Endowment										1191										20										1191				
Sub total: Non Profit contracts										71704										1002										71302				
Sub total: Reassurance Ceded										71704										1002										71302				
Net total: Life Assurance & General Annuity Business										35760										424										31283				
Net total: United Kingdom Business										35760										424										31283				

## Long term business: Valuation summary of property linked contracts

Name of company **Phoenix Assurance PLC**

Global business

Overseas business

Financial year ended **31st December 1999**Type of business **Life Assurance & General Annuity Business**Category of surplus **12: Non Participation Fund**

Period ended

Company

registration

number

GUUK/CM

day

month

year

Units

UKOS

Type of business

Category of surplus

Name of contract	number										business			surplus					
	R53		71805		GL		31		12		1999		£000		OS		L&GA		
	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities			Amount of mathematical reserves				
Rate of interest	Mortality or morbidity table	Guaranteed on death		Current on death	Guaranteed on maturity	Office premiums	Net premiums	Current benefit value		Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
Individual business																			
Wealth Assured Contracts			2	88	88				Internal Fund	84	84			85					
Bonds																			
Endowment			33	146	401	146	6		Internal Fund	400	400	1		401					
Sub total: Non Profit contracts			35	234	489	146	6			484	484	2		486					
Sub total: Direct Written Business			35	234	489	146	6			484	484	2		486					
Individual business																			
Wealth Assured Contracts					85				Internal Fund	84	84			84					
Bonds																			
Endowment					401		6		Internal Fund	400	400			400					
Sub total: Non Profit contracts					486		6			484	484			484					
Sub total: Reassurance Ceded					486		6			484	484			484					
Net total: Life Assurance & General Annuity Business			35	234	3	146						1		1					
Net total: Overseas business			35	234	3	146						1		1					

Long term business: Valuation summary of index linked contracts

Name of company Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended 31st December 1999

Type of business Life Assurance & General Annuity Business

Category of surplus 12: Non-Participation Fund

Category of surplus	Company registration number	GL/UK/CM		Period ended		Units	UK/OS	Type of business	Category of surplus									
		day	month	year														
Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses				GL	31	12	Investment liability		UK	L&GA	Amount of mathematical reserves			
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death / current payable per annum	Guaranteed on maturity	Amount of annual premiums				Current benefit value	Discounted value				Mortality and expenses	Options and guarantees other than investment performance guarantees	
							Office premiums											Net premiums
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
Individual business	Promise Bond Growth		622	5603	7869	7624			FT-SE 100		7791	15		7806				
	Promise Bond Income		475	5357	6058	5361			FT-SE 100		5998	11		6009				
	Reserve for CGT		1368	10382	17270	12160			FT-SE 100		17099	27	1500	1500				
	Rose Bonds																	
	Reserve for CGT												2549	2549				
	Lotus Bonds		4057	31869	39680	43082			Nikkei 300		39288	94		39381				
	Reserve for CGT												2057	2057				
	Azalea Bond Growth		259	1886	2287	2508			Nikkei 300		2265	7		2271				
	Azalea Bond Income		411	4417	4615	4423			Nikkei 300		4569	11		4580				
	Reserve for CGT																	
Carnation Bonds		817	6786	8040	9646			Nikkei 300		7961	39	361	361					
Reserve for CGT													7999					
IBNR Reserve												6	480	480				
														6				

## Long term business: Valuation summary of index linked contracts

Name of company Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended 31st December 1999

Type of business Life Assurance &amp; General Annuity Business

Category of surplus 12: Non-Participation Fund

Company registration number			Period ended			Units			Type of business		Category of surplus			
			GL/UK/CM		day		month		year					
			GL	31	12	1999	£000	UK	L&GA					
Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Name of index link	Investment liability		Other liabilities	Amount of mathematical reserves	
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death / current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value			Mortality and expenses
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sub total: Non Profit contracts			8009	66299	85820	84805					84971	208	6947	92126
Sub total: Direct Written Business			8009	66299	85820	84805					84971	208	6947	92126
Total: Life Assurance & General Annuity Business			8009	66299	85820	84805					84971	208	6947	92126



Name of company
Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended
31st December 1999

Type of business
Pension Business

Category of surplus
12: Non-Participation Fund

R54 71805															
Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			GL	31	12	1999	Investment liability		UK	Pens	Amount of mathematical reserves
				Guaranteed on death	Current on death / current payable per annum	Guaranteed on maturity					Office premiums	Net premiums			
	Rate of interest	Mortality or morbidity table					2	3		4			5	6	
1															
Group business															
Annuities in payment	1.75	PMA/PFA80	38		189 pa				RPI		2998				2998
Reversionary annuities	1.75	PMA/PFA80			11 pa				RPI		56				56
Sub total: Non Profit contracts			38		200 pa						3055				3055
Sub total: Direct Written business			38		200 pa						3055				3055
Individual business															
Annuities in payment	1.75	PMA/PFA80	3		21 pa				RPI		303				303
Reversionary annuities	1.75	PMA/PFA80			4 pa				RPI		19				19
Group business															
Annuities in payment	1.75	PMA/PFA80	35		841 pa				RPI		12893				12893
Reversionary annuities	1.75	PMA/PFA80			379 pa				RPI		1890				1890
Sub total: Non Profit contracts			38		1244 pa						15105				15105

## Long term business: Valuation summary of index linked contracts

Name of company Phoenix Assurance PLC

Global business

United Kingdom business

Financial year ended 31st December 1999

Type of business Pension Business

Category of surplus 12: Non-Participation Fund

Company registration number			GL/UK/CM			Period ended		Units		UK/OS		Type of business		Category of surplus
						day	month	year	Units	UK	Pens			
						Amount of sums assured or annuities per annum, including vested reversionary bonuses		Investment liability		Other liabilities		Amount of mathematical reserves		
Name of contract	Valuation basis		No of contracts	Guaranteed on death	Current on death / current payable per annum	Guaranteed on maturity	Amount of annual premiums		Name of index link	Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	15
	Rate of interest	Mortality or morbidity table					Office premiums	Net premiums						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sub total: Reassurance Accepted			38		1244 pa						15105			15105
Total: Pension Business			76		1444 pa						18160			18160
Total: United Kingdom Business			8085	66299	85820 1444 pa	84805					103131	208	6947	110286

Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH
		day	month	year				

R55										
Name of fund link or directly held asset										
1	2	3	4	5	6	£000	UK		12	ILH
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		12	Value of surplus units or directly held assets (7-8+9)
							Gross	Reinsurance ceded		
1	2	3	4	5	6	7	8	9	10	
Wholly reinsured Equity Endowment Sub total: Equity Endowment  Sub total: Internal Linked Funds	accumulation	12.643500	26994	341 341  341		341 341  341	71786 341 341  72127	71786		

## Long term business: Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of company Phoenix Assurance Plc

Global business

United Kingdom business

Financial year ended

31st December 1999

Category of surplus

12: Non-Participation Fund

Internal linked fund

Name of fund link or directly held asset	Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH
			day	month	year				
			31	12	1999	£000	UK	12	
1	71805	GL	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)
							Gross	Reinsurance ceded	
			4	5	6	7	8	9	10
Units issued by Save & Prosper Group in connection with Sun Alliance Linked Life Ins Ltd	auth unit trust	4.668000	1555592	7262		7262	928		6334
	auth unit trust	5.022000	8962396	45009		45009	7245		37764
	auth unit trust	1.053000	1338556	1409		1409	356		1054
	auth unit trust	1.235000	171804	212		212			212
	auth unit trust	7.320000	3208259	23484		23484	4028		19486
	auth unit trust	5.545000	142489	790		790	151		639
Units issued by Save & Prosper Group in connection with Save & Prosper Reassurance	auth unit trust	4.668000	820600	3831		3831	1673		2158
	auth unit trust	3.715000	2202866	8184		8184	5726		2458
	auth unit trust	1.053000	638305	672		672	537		135
	auth unit trust	7.320000	1142378	8362		8362	1837		6525
	auth unit trust	5.545000	139795	775		775	474		301
	auth unit trust	3.955000	123130	487		487	329		158
UK Growth and Income	auth unit trust	5.022000	217403	1092		1092	730		361
	auth unit trust	5.237000	985465	5161		5161	1780		3380

## Long term business: Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Phoenix Assurance Plc

Name of company

Global business

United Kingdom business

31st December 1999

Financial year ended

12: Non-Participation Fund

Category of surplus

Internal linked fund

Name of fund link or directly held asset	Company registration number	GL/UK/CM	Period ended			Units	UKOS	Category of surplus	IL/DH
			day	month	year				
			31	12	1999				
R55	71805	GL	31	12	1999	£000	UK	12	DHA
	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts	Reinsurance ceded	Value of surplus units or directly held assets (7-8+9)
1	2	3	4	5	6	7	8	9	10
S.E Asia Growth Fund High Income Fund Premier Equity Growth UK Smaller Companies European Growth Fund Miscellaneous GT North America GT Europe GT Bond GT Investment JF Pacific Securities Barclays UK Equity Barclays International Equity Barclays Pacific Equity Fidelity UK HS(JSY) Fixed Interest Guinness Flight £GS Guinness Flight \$GS	auth unit trust	0.537100	52000	28		28	13		15
	auth unit trust	0.530800	10300	5		5			5
	auth unit trust	3.101000	5000	16		16			16
	auth unit trust	1.235000	35065	43		43	42		1
	auth unit trust	4.361000	445426	1943		1943	539		1404
	auth unit trust	70.124456	8416	590		590	590		
	auth unit trust	88.120722	8446	744		744	744		
	auth unit trust	12.899813	34069	439		439	439		
	auth unit trust	28.450529	19490	554		554	554		
	auth unit trust	94.287492	2634	248		248	248		
	auth unit trust	2.450000	158358	388		388	388		
	auth unit trust	2.850000	129159	368		368	368		
	auth unit trust	9.270000	30656	284		284	284		
	auth unit trust	1.660000	214906	357		357	357		
	auth unit trust	1.440000	296358	427		427	427		
	auth unit trust	10.230000	7693	79		79	79		
auth unit trust	12.731798	5917	75		75	75			

## Long term business: Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of company  
Phoenix Assurance Plc

Global business

United Kingdom business

Financial year ended  
31st December 1999Category of surplus  
12: Non-Participation Fund

Internal linked fund

Company registration number		GL/UK/CM	Period ended			Units	Category of surplus		IL/DH	
			day	month	year		UK/OS			
Name of fund link or directly held asset	R55	71805	GL	31	12	1999	£000	UK	12	DHA
	Name of unit type		Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Gross 8	Reinsurance ceded 9	Value of surplus units or directly held assets (7-8+9) 10
1		2	3	4	5	6	7			
Sub total: Directly Held Assets					113320		113320	30942		82378
Total: 12: Non Participation Fund					113661		113661	103069	71786	82378

**Long term business: Analysis of assets and liabilities matching investment liabilities in respect of index linked benefits**Name of company **Phoenix Assurance PLC**

Global business

United Kingdom business

Financial year ended **31st December 1999**Category of surplus **12: Non Participation Fund**

Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	
		day	month	year				
R56	71805	GL	31	12	1999	£000	UK	12
Type of assets and liabilities					Name of index link	Value of assets or liabilities	Gross derivative value	
					1	2	3	
Life Assurance & General Annuity Business								
FTSE 100 linked asset matching Promise Bond					FTSE 100	7414	13789	
Deposit					FTSE 100	6375		
FTSE 100 linked asset matching Rose Bond					FTSE 100	17099	17099	
Sub total assets						30888		
Sub total liabilities								
Sub total net assets						30888		
Total assets								
Total liabilities								
Net total assets								

**Long term business: Analysis of assets and liabilities matching investment liabilities in respect of index linked benefits**Name of company **Phoenix Assurance PLC**

Global business

United Kingdom business

Financial year ended **31st December 1999**Category of surplus **12: Non Participation Fund**

Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	
		day	month	year				
R56	71805	GL	31	12	1999	£000	UK	12
Type of assets and liabilities					Name of index link	Value of assets or liabilities	Gross derivative value	
					1	2	3	
Nikkei 300 linked asset matching Lotus Bond					Nikkei 300	39288	39288	
Nikkei 300 linked asset matching Azalea Bond					Nikkei 300	6834	6834	
Nikkei 300 linked asset matching Carnation Bond					Nikkei 300	7961	7961	
Sub total assets						54082		
Sub total liabilities								
Sub total net assets						54082		
Total assets								
Total liabilities								
Net total assets								



**Long term business: Analysis of assets and liabilities matching investment liabilities in respect of index linked benefits**Name of company **Phoenix Assurance PLC**

Global business

United Kingdom business

Financial year ended **31st December 1999**Category of surplus **12: Non Participation Fund**

Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	
		day	month	year				
R56	71805	GL	31	12	1999	£000	UK	12
Type of assets and liabilities					Name of index link	Value of assets or liabilities		Gross derivative value
					1	2		3
Pensions Business								
Index_Linked Gilts					RPI	18160		
Sub total assets						18160		
Sub total liabilities								
Sub total net assets						18160		
Total assets						103131		
Total liabilities								
Net total assets						103131		

## Long term business: Matching rectangle

Name of company Phoenix Assurance Plc

Global business

Financial year ended 31st December 1999

Sterling/Non sterling liabilities

Valuation rate(s) of interest Balance

Type of business

With profits/Non profit

Category of assets Total

Company registration number		GL/JUK/CM	day	Period ended		year	Units	Stg/NonStg	Valuation Rate of Interest	L&G/Pens/ PHI/Other	WP/NP	Category of assets
R57	71805	GL	31	12	1999		£000		98			10
Type of asset notionally allocated												
				The valuation			The resilience scenario					
				Value of asset notionally allocated	Risk adjusted yield %	Value of assets notionally allocated			Total under resilience scenario	Risk Adjusted Yield %		
						On original allocation	Increase or decrease					
Land and buildings	11											
	Fixed interest securities	12										
		13										
	Variable interest and variable yield securities (excluding items shown at line 16)	14										
		15										
Equity shares and holdings in collective investment schemes				16	128550	2.24	96413	(1197)		95215		2.99
Loans secured by mortgages				17								
All other assets	Producing income	18										
	Not producing income	19										
Total (11 to 19)				29	128550	2.24	96413	(1197)		95215		2.99
Gross valuation interest rate %				31								
Net valuation interest rate % (where appropriate)				32								
Mathematical reserve or other liability, net of reinsurance				33	128550					95215		

Company registration number		GL/UK/CM	Period ended		Valuation		Units		Stg/NonStg		Rate of Interest		L&GA/Pens/ PHI/Other		WP/NP	Category of assets	
day	month	year	12	1999	£000	Stg	0	Pens	NP	11							
R57	71805	GL	31	12	1999	£000	Stg	0	Pens	NP	11						
Type of asset notionally allocated												The resilience scenario					
			The valuation			Value of assets notionally allocated					Risk Adjusted Yield %						
			Value of asset notionally allocated	Risk adjusted yield %	On original allocation	Increase or decrease	Total under resilience scenario										
Land and buildings			11									6					
	Fixed interest securities	Approved securities	12														
	Other		13														
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities		14														
	Other		15														
Equity shares and holdings in collective investment schemes			16	135487	2.24	101615	(14729)				86886	2.99					
Loans secured by mortgages			17														
All other assets	Producing income		18														
	Not producing income		19	54305		54305	(19480)				34825						
Total (11 to 19)			29	189792	1.60	155920	(34208)				121712	2.13					
Gross valuation interest rate %			31		0.00							0.00					
Net valuation interest rate % (where appropriate)			32		0.00							0.00					
Mathematical reserve or other liability, net of reinsurance			33	189792							121712						

**Long term business: Matching rectangle**Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

Sterling liabilities

Valuation rate(s) of interest

**0.00%**

Type of business

**Permanent Health Insurance**

Non profit

Category of assets

**Ordinary Long Term**

Company registration number	GL/UK/CM	day	Period ended		Units	Stg/NonStg	Valuation			WP/NP	Category of assets	
			71805	GL			31	12	1999			year
R57												
Type of asset notionally allocated												
The valuation												
The resilience scenario												
Value of assets notionally allocated												
On original allocation												
Increase or decrease												
Total under resilience scenario												
Risk Adjusted Yield %												
Risk Adjusted Yield %												
Land and buildings												
Fixed interest securities												
Approved securities												
Other												
Variable interest and variable yield securities (excluding items shown at line 16)												
Approved securities												
Other												
Equity shares and holdings in collective investment schemes												
Loans secured by mortgages												
Producing income												
Not producing income												
Total (11 to 19)												
Gross valuation interest rate %												
Net valuation interest rate % (where appropriate)												
Mathematical reserve or other liability, net of reinsurance												

Returns under Insurance Companies Legislation

**Long term business: Matching rectangle**

Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**

Sterling liabilities

Valuation rate(s) of interest **1.50%**

Type of business **Pensions**

Non profit

Category of assets **Ordinary Long Term**

R57	71805	GL	31	Period ended		Units	Stg/NonStg	Valuation			WP/NP	Category of assets
				day	year			Rate of Interest	L&GA/Pens/PHI/Other	NP		
				month	year							
Type of asset notionally allocated												
				The valuation		Risk adjusted yield %	The resilience scenario			Risk Adjusted Yield %		
				Value of asset notionally allocated	1		2	3	4		5	6
Land and buildings	11											
Fixed interest securities	Approved securities	12										
	Other	13										
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14	18160	2.38	17719	(1132)						2.62
	Other	15										
Equity shares and holdings in collective investment schemes												
Loans secured by mortgages												
All other assets	Producing income	18										
	Not producing income	19										
Total (11 to 19)												
Gross valuation interest rate %												
Net valuation interest rate % (where appropriate)												
Mathematical reserve or other liability, net of reinsurance												

Returns under Insurance Companies Legislation  
**Long term business: Matching rectangle**  
Name of company    **Phoenix Assurance Plc**  
Global business  
Financial year ended    **31st December 1999**

Form 57  
(Sheet 5)

Sterling liabilities  
Valuation rate(s) of interest    **4.25%**  
Type of business    **Pensions**  
Non profit  
Category of assets    **Ordinary Long Term**

Company registration number			GLUK/CM		day	Period ended		Units	Stg/NonStg	Valuation			WP/NP	Category of assets
71805		GL	31	12	1999	£000	Stg			4	Pens	NP		
R57														
Type of asset notionally allocated														
					The valuation					The resilience scenario				
					Value of asset notionally allocated	Risk adjusted yield %	Value of assets notionally allocated		Total under resilience scenario			Risk Adjusted Yield %		
					1	2	3	4	5					
Land and buildings					11	50503	10.90	40403	9674	50077	13.63			
Fixed interest securities					12	119327	5.89	123170	(4851)	118318	5.30			
Other					13	173828	6.47	183110	(10751)	172359	5.83			
Variable interest and variable yield securities (excluding items shown at line 16)					14	5857	2.38	5715	93	5808	2.62			
Other					15									
Equity shares and holdings in collective investment schemes					16	51504	2.24	38628	12441	51068	2.99			
Loans secured by mortgages					17	1132	8.49	1193	(70)	1123	7.64			
All other assets					18	6048	5.72	6048	(51)	5997	5.72			
Not producing income					19	12449		12449	(105)	12344				
Total (11 to 19)					29	420650	6.07	410715	6379	417094	6.05			
Gross valuation interest rate %					31		4.25				4.33			
Net valuation interest rate % (where appropriate)					32		4.25				4.33			
Mathematical reserve or other liability, net of reinsurance					33	420650				417094				

Long term business: Matching rectangle

Sterling liabilities

Name of company Phoenix Assurance Plc

Valuation rate(s) of interest

4.25%

Global business

Type of business

Permanent Health Insurance

Financial year ended 31st December 1999

Non profit

Category of assets

Ordinary Long Term

Company registration number	GL/UK/CM	Period ended			Units	Stg/NonStg	Valuation Rate of Interest		L&GA/Pens/ PHI/Other	WP/NP	Category of assets		
		day	month	year									
		R57	71805	GL			31	12				1999	£000
Type of asset notionally allocated													
						The valuation			The resilience scenario				
						Value of asset notionally allocated		Risk adjusted yield %	Value of assets notionally allocated		Total under resilience scenario		Risk Adjusted Yield %
						1	2	3	4	5	6		
Land and buildings						11							
Fixed interest securities						12	222708	229879	(8699)	221180	5.30		
Other						13							
Variable interest and variable yield securities (excluding items shown at line 16)						14							
Other						15	3208	3208	(22)	3186	5.12		
Equity shares and holdings in collective investment schemes						16	84801	63600	20618	84219	2.99		
Loans secured by mortgages						17							
All other assets						18	8500	8500	(58)	8442	5.72		
Not producing income						19							
Total (11 to 19)						29	319217	305188	11839	317027	4.70		
Gross valuation interest rate %						31					4.33		
Net valuation interest rate % (where appropriate)						32					4.33		
Mathematical reserve or other liability, net of reinsurance						33	319217			317027			

Returns under Insurance Companies Legislation  
**Long term business: Matching rectangle**  
Name of company    **Phoenix Assurance Plc**  
Global business  
Financial year ended    **31st December 1999**

Form 57  
(Sheet 7)

Sterling liabilities  
Valuation rate(s) of interest    **0.00%**  
Type of business    **Life Assurance and Annuity**  
Non profit  
Category of assets    **Ordinary Long Term**

Company registration number			GL/JUK/CM	day	Period ended			Units	Stg/NonStg	Valuation Rate of Interest			WP/NP	Category of assets
R57	71805	GL	31	12	1999	£000	Stg	0	L&GA	PHI/Other	NP	11		
Type of asset notionally allocated			The valuation					The resilience scenario						
			Value of asset notionally allocated	Risk adjusted yield %	Value of assets notionally allocated						Risk Adjusted Yield %			
					On original allocation	Increase or decrease	Total under resilience scenario							
1	2	3	4	5	6									
Land and buildings														
Fixed interest securities	Approved securities													
	Other													
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities													
	Other													
Equity shares and holdings in collective investment schemes				40149	2.24	30112	6047		36158			2.99		
Loans secured by mortgages														
All other assets	Producing income													
	Not producing income													
Total (11 to 19)				40149	2.24	30112	6047		36158			2.99		
Gross valuation interest rate %					0.00							0.00		
Net valuation interest rate % (where appropriate)					0.00							0.00		
Mathematical reserve or other liability, net of reinsurance				40149					36158					



Returns under Insurance Companies Legislation

Long term business: Matching rectangle

Name of company Phoenix Assurance Plc

Global business

Financial year ended 31st December 1999

Sterling liabilities

Valuation rate(s) of interest

Type of business

Non profit

Category of assets

3.25%

Life Assurance and Annuity

Ordinary Long Term

Company registration number		GL/UK/CM	day	Period ended		Units		Stg/NonStg	Valuation Rate of Interest		WP/INP	Category of assets	
R57		71805	GL	31	12	1999	£000	Stg	3	L&GA	NP	11	
Type of asset notionally allocated						The valuation		The resilience scenario					
						Value of asset notionally allocated		Value of assets notionally allocated		Total under resilience scenario			
						Risk adjusted yield %		On original allocation		Increase or decrease		Risk Adjusted Yield %	
						1	2	3	4	5	6		
Land and buildings				11	695	10.90	556	131		686		13.63	
Fixed interest securities		Approved securities		12	49722	5.89	51323	(2207)		49116		5.30	
		Other		13									
Variable interest and variable yield securities (excluding items shown at line 16)		Approved securities		14	186	2.38	181	2		183		2.62	
		Other		15									
Equity shares and holdings in collective investment schemes				16	18375	2.24	13782	4370		18151		2.99	
Loans secured by mortgages				17	984	8.49	1036	(65)		972		7.64	
All other assets		Producing income		18									
		Not producing income		19									
Total (11 to 19)				29	69962	5.01	66878	2231		69109		4.80	
Gross valuation interest rate %				31		3.95						4.38	
Net valuation interest rate % (where appropriate)				32		3.25						3.61	
Mathematical reserve or other liability, net of reinsurance				33	69962					69109			

Returns under Insurance Companies Legislation  
**Long term business: Matching rectangle**  
Name of company    **Phoenix Assurance Plc**  
Global business  
Financial year ended    **31st December 1999**

Sterling liabilities  
Valuation rate(s) of interest    **1.00%**  
Type of business    **Life Assurance and Annuity**  
With profits  
Category of assets    **Ordinary Long Term**

Form 57  
(Sheet 9)

Company registration number	GL/JUK/CM	day	Period ended		Units	Stg/NonStg	Valuation Rate of Interest		L&GA/Pens/ PHI/Other	WP/NP	Category of assets
			month	year			1	L&GA			
			31	12							
R57	71805	GL	31	12	1999	£000	Stg	1	L&GA	WP	11
Type of asset notionally allocated											
			The valuation			The resilience scenario					
			Value of asset notionally allocated		Risk adjusted yield %	Value of assets notionally allocated			Risk Adjusted Yield %		
			1	2	3	4	5	6			
Land and buildings			11	11282	10.90	9026	843		9869		13.63
	Approved securities		12	28846	5.89	29774	(4541)		25233		5.30
Fixed interest securities	Other		13	958	6.47	1009	(171)		838		5.83
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities		14	6180	2.38	6030	(624)		5406		2.62
	Other		15								
Equity shares and holdings in collective investment schemes			16	0	2.24	0					2.99
Loans secured by mortgages			17								
All other assets	Producing income		18								
	Not producing income		19								
Total (11 to 19)			29	47266	6.64	45839	(4493)		41346		6.95
Gross valuation interest rate %			31		1.27						4.34
Net valuation interest rate % (where appropriate)			32		1.00						3.42
Mathematical reserve or other liability, net of reinsurance			33	47266					41346		

Returns under Insurance Companies Legislation  
**Long term business: Matching rectangle**  
 Name of company **Phoenix Assurance Plc**  
 Global business  
 Financial year ended **31st December 1999**

Sterling liabilities  
 Valuation rate(s) of interest **3.52%**  
 Type of business  
 Non profit  
 Category of assets  
**Ordinary Long Term**

Company registration number	GL/JUK/CM	day	Period ended		Units	Stg/NonStg	Valuation Rate of Interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets	
			month	year							
R57	71805	GL	31	12	1999	£000	Stg	4	L&GA	NP	11
Type of asset notionally allocated											
Land and buildings				The valuation			The resilience scenario				
				Value of asset notionally allocated		Risk adjusted yield %	On original allocation	Increase or decrease	Total under resilience scenario		Risk Adjusted Yield %
				1	2	3	4	5	6		
Fixed interest securities				11							
				12							
Other				13							
				14							
Variable interest and variable yield securities (excluding items shown at line 16)				15							
				16							
Equity shares and holdings in collective investment schemes				17							
				18							
Loans secured by mortgages				19							
				29							
All other assets				31							
				32							
Producing income				33							
Not producing income											
Total (11 to 19)				2.99							
Gross valuation interest rate %				4.33							
Net valuation interest rate % (where appropriate)				3.52							
Mathematical reserve or other liability, net of reinsurance				529							

Returns under Insurance Companies Legislation  
**Long term business: Matching rectangle**  
Name of company    **Phoenix Assurance Plc**  
Global business  
Financial year ended    **31st December 1999**

Sterling liabilities  
Valuation rate(s) of interest    **0.00%**  
Type of business    **Pensions**  
With profits  
Category of assets    **Ordinary Long Term**

Form 57  
(Sheet 11)

Company registration number		GL/UK/CM	day	Period ended		Units		Stg/NonStg	Valuation		WP/NP	Category of assets				
				month	year				Rate of Interest	L&GA/Pens/ PHI/Other						
R57	71805	GL	31	12	1999	£000	Stg	0	Pens	WP		11				
Type of asset notionally allocated																
			The valuation			The resilience scenario										
			Value of asset notionally allocated  1			Risk adjusted yield %		Value of assets notionally allocated								
						2		On original allocation		Increase or decrease			Total under resilience scenario			
								3		4			5		Risk Adjusted Yield %  6	
Land and buildings			11	12169	10.90	9735	(535)	9200			13.63					
Fixed interest securities			12	598	5.89	617	(165)	452			5.30					
Other			13	27357	6.47	28817	(8135)	20682			5.83					
Variable interest and variable yield securities (excluding items shown at line 16)			14	983	2.38	959	(216)	743			2.62					
Other			15	950	4.65	950	(232)	718			5.12					
Equity shares and holdings in collective investment schemes			16	83887	2.24	62916	506	63421			2.99					
Loans secured by mortgages			17													
All other assets			18													
Not producing income			19													
Total (11 to 19)			29	125943	4.03	103993	(8777)	95217			4.66					
Gross valuation interest rate %			31		0.00						4.33					
Net valuation interest rate % (where appropriate)			32		0.00						4.33					
Mathematical reserve or other liability, net of reinsurance			33	125943				95217								

Sterling liabilities  
 Valuation rate(s) of interest **4.25%**  
 Type of business  
 Non profit  
 Category of assets  
**Ordinary Long Term**

Company registration number	GL/UK/CM	Period ended			Units	Stg/NonStg	Valuation			WP/NP	Category of assets	
		day	month	year			Rate of interest	L&GA/Pens/PHI/Other				
		R57	71805	GL			31	12	1999			£000
Type of asset notionally allocated												
					The valuation			The resilience scenario				
					Value of asset notionally allocated	Risk adjusted yield %	On original allocation	Increase or decrease	Total under resilience scenario	Risk Adjusted Yield %		
Land and buildings					1	2	3	4	5	6		
					1000	10.90	800	191	991	13.63		
Fixed interest securities	Approved securities				2502	5.89	2562	(103)	2479	5.30		
	Other											
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities											
	Other											
Equity shares and holdings in collective investment schemes												
Loans secured by mortgages												
All other assets	Producing income											
	Not producing income											
Total (11 to 19)					3502	7.32	3382	88	3470	7.68		
Gross valuation interest rate %						5.40				5.50		
Net valuation interest rate % (where appropriate)						4.25				4.33		
Mathematical reserve or other liability, net of reinsurance					3502				3470			

Long term business: Matching rectangle

Sterling liabilities

Name of company Phoenix Assurance Plc

Valuation rate(s) of interest

3.00%

Global business

Type of business

Pensions

Financial year ended 31st December 1999

With profits

Ordinary Long Term

Category of assets

Company registration number	GL/UK/CM	day	Period ended			Units	Stg/NonStg	Valuation Rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
			year	month	year						
R57	71805	GL	31	12	1999	£000	Stg	3	Pens	WP	11
Type of asset notionally allocated											
Land and buildings			The valuation			The resilience scenario					Risk Adjusted Yield %
			Value of asset notionally allocated	Risk adjusted yield %	On original allocation	Increase or decrease	Total under resilience scenario				
			1	2	3	4	5	6			
			11								
			12	34850	5.89	35972	(4363)	31609	5.30		
Fixed interest securities			13								
			14								
Variable interest and variable yield securities (excluding items shown at line 16)			15								
			16	702	2.24	526	110	637	2.99		
Equity shares and holdings in collective investment schemes			17								
			18								
			19								
Loans secured by mortgages			29	35552	5.82	36499	(4253)	32246		5.26	
			31		3.00				4.33		
All other assets			32		3.00					4.33	
			33	35552				32246			
Gross valuation interest rate %											
Net valuation interest rate % (where appropriate)											
Mathematical reserve or other liability, net of reinsurance											

Returns under Insurance Companies Legislation

Long term business: Matching rectangle

Name of company Phoenix Assurance Plc

Global business

Financial year ended 31st December 1999

Sterling/Non sterling liabilities

Valuation rate(s) of interest

Type of business

With profits/Non profit

Category of assets

Total

Total

Company registration number	GL/JUK/CM	Period ended			Units	Stg/NonStg	Valuation Rate of Interest	L&GA/Pens/ PHI/Other	WP/INP	Category of assets			
		day	month	year									
R57	71805	GL	31	12	1999	£000	The resilience scenario				99	10	
Type of asset notionally allocated							The valuation			Value of assets notionally allocated			Risk Adjusted Yield %
							Value of asset notionally allocated	Risk adjusted yield %	On original allocation	Increase or decrease	Total under resilience scenario		
Land and buildings				1	2	3	4	5	6				
Fixed interest securities	Approved securities												
	Other												
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities												
	Other												
Equity shares and holdings in collective investment schemes													
Loans secured by mortgages													
All other assets	Producing income												
	Not producing income												
Total (11 to 19)													
Gross valuation interest rate %													
Net valuation interest rate % (where appropriate)													
Mathematical reserve or other liability, net of reinsurance													

**Long term business: Valuation result and distribution of surplus**Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**Category of surplus **11: Participation Fund**

		Company registration number	GL/UK/CM	Period ended			Units	Category of surplus	
		R58	71805	GL	31	12	1998	£000	11
Valuation result	Fund carried forward					11	210107		
	Bonus payments made to policyholders in anticipation of a surplus					12	6754		
	Transfer out of fund/ parts of fund	Transfer to non-technical account				13			
		Transfer to other funds/parts of fund				14			
	Net transfer out of funds/parts of funds (13 + 14)					15			
	Total (11 + 12 +15)					16	216861		
	Mathematical reserves for accumulating with profit policies					17	118423		
	Mathematical reserves for other non linked contracts					18	81128		
	Mathematical reserves for property linked contracts					19			
	Mathematical reserves for index linked contracts					20			
	Total (17 to 20)					21	199551		
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16 - 21)					29	17310		
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation					31	500		
	Transfers into fund/ part of fund	Transfer from non-technical account				32			
		Transfer from other funds/parts of fund				33			
	Net transfer into fund/part of fund (32 + 33)					34			
	Surplus arising since the last valuation					35	16810		
	Total (31 + 34 + 35)					39	17310		
Distribution of surplus	Bonus payments made to policyholders in anticipation of surplus					41	6754		
	Allocated to policyholders by way of	Cash bonuses				42			
		Reversionary bonuses				43	10056		
		Other bonuses				44			
		Premium reductions				45			
	Total allocated to policyholders (41 to 45)					46	16810		
	Net transfer out of fund/part of fund					47			
	Total distributed surplus (46 + 47)					48	16810		
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated					49	500		
	Total (48 + 49)					59	17310		
Percentage of distributed surplus allocated to policyholders of fund/part of fund					61	100			
Corresponding percentage at three immediately previous valuations	Latest	( year of valuation 1998 )				62	100		
	Earlier	( year of valuation 1997 )				63	100		
	Earliest	( year of valuation 1996 )				64	100		



**Long term business: Valuation result and distribution of surplus**Name of company **Phoenix Assurance Plc**

Global business

Financial year ended **31st December 1999**Category of surplus **12: Non-Participation Fund**

		Company registration number	GL/UK/CM	day	Period ended			Units	Category of surplus
		R58	71805	GL	31	12	1998	£000	12
Valuation result	Fund carried forward					11	1257001		
	Bonus payments made to policyholders in anticipation of a surplus					12			
	Transfer out of fund/ parts of fund	Transfer to non-technical account				13	48500		
		Transfer to other funds/parts of fund				14			
	Net transfer out of funds/parts of funds (13 + 14)					15	48500		
	Total (11 + 12 +15)					16	1305501		
	Mathematical reserves for accumulating with profit policies					17			
	Mathematical reserves for other non linked contracts					18	1113154		
	Mathematical reserves for property linked contracts					19	33061		
	Mathematical reserves for index linked contracts					20	110286		
	Total (17 to 20)					21	1256501		
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16 - 21)					29	49000		
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation					31	500		
	Transfers into fund/ part of fund	Transfer from non-technical account				32			
		Transfer from other funds/parts of fund				33			
	Net transfer into fund/part of fund (32 + 33)					34			
	Surplus arising since the last valuation					35	48500		
	Total (31 + 34 + 35)					39	49000		
Distribution of surplus	Bonus payments made to policyholders in anticipation of surplus					41			
	Allocated to policyholders by way of	Cash bonuses				42			
		Reversionary bonuses				43			
		Other bonuses				44			
		Premium reductions				45			
	Total allocated to policyholders (41 to 45)					46			
	Net transfer out of fund/part of fund					47	48500		
	Total distributed surplus (46 + 47)					48	48500		
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated					49	500		
	Total (48 + 49)					59	49000		
Percentage of distributed surplus allocated to policyholders of fund/part of fund					61	0			
Corresponding percentage at three immediately previous valuations	Latest	( year of valuation 1998 )				62	0		
	Earlier	( year of valuation 1997 )				63	0		
	Earliest	( year of valuation 1996 )				64	0		

**Name of company**  
**Phoenix Assurance PLC**

**Phoenix Assurance PLC**

31st December 1999

[illegible]

**Notes to the Return**

Name of company      **Phoenix Assurance Plc**

Financial year ended    **31st December 1999**

**NOTES TO SCHEDULES 1 AND 3**

**\*0901\* Section 68 Order/modifying 1996 regulation provisions**

The Insurance Directorate of HM Treasury, with the consent of the Company, issued in June 1998 an Order under Section 68 of the Insurance Companies Act 1982 which allows the general business of the Phoenix Assurance plc to be included in the return relating to the Royal & Sun Alliance Insurance plc's general business.

**\*1001\* Reconciliation of net assets to the accounts**

The reconciliation of net assets per the FSA return to net assets of the Companies Act accounts is not included because the return covers only the Long Term business. The Company's General business is included in the Return relating to the Royal & Sun Alliance Insurance plc.

**\*1308\* LTB: Aggregate value of certain investments**

	£000's
Unlisted Investments	
Line 41              Equities	<u>14,051</u>

**\*1309\* LTB: Aggregate value of hybrid securities**

	£000's
Hybrid securities (Line 46 & 48)	<u>24</u>

**\*1310\* LTB: Amounts set off**

a) In accordance with Schedule 1, paragraphs 8.2 and 8.3, of the Insurance Companies (Accounts and Statements) Regulations 1996, amounts shown in Forms 13 and 14 have been calculated by netting amounts due to any one person against amounts due from that person.

b) Interfund balances which exist between the Shareholders' funds and Life funds have been adjusted by allocating appropriate cash and other assets in accordance with paragraph 4.27 of Prudential Guidance Note 1995/1 "Guidance notes on the valuation of assets Regulations".

**Notes to the Return**

Name of company **Phoenix Assurance Plc**

Financial year ended **31st December 1999**

**\*1311\* LTB: Maximum Counterparty Limit**

The maximum permitted limit to an approved and other than approved counterparty is the limit consistent with the requirement on admissibility of assets unless the Company agrees otherwise.

**\*1318\* Valuation**

Assets are valued in accordance with the Insurance Companies Regulations 1994, as amended.

**\*1401\* Provision for adverse changes (F14L51)**

No provision for adverse changes has been made as liabilities are matched to assets.

**\*1402\* Contingent Liabilities**

An additional mathematical reserve, relating to tax on unrealised capital gains of £80,000k (1998 £84,000k) which has been taken into account in the Appointed Actuary's certificate, is included in Form 14, line 51.

At 31 December 1999 there were no contingent liabilities, guarantees, indemnities or contractual commitments effected by the Company other than in the ordinary course of its insurance business.

**\*1403\* Long Term Business Assets/Liabilities**

Except to the extent that an additional mathematical reserve has been established for long term business solvency margin purposes (see the Appointed Actuary's Certificate and Note 1402) no provision has been made for any liability to tax on capital gains which might arise if the Company disposed of its assets.

**\*1404\* Property linked benefits**

The liabilities in respect of property linked benefits of £33,861 shown on Form 14 Participation, line 62 for 1998, have been restated on Form 14 Non-participation, line 62, column 2 in 1999.

**\*4002\* Other Income and Expenditure**

Other expenditure of £3,472k shown in form 40, line 25 for 1999 represents a provision for the cost of initiatives taken as part of an overall business improvement programme including the closure of the direct sales force.

**\*4005\* Basis of foreign currency conversion**

In accordance with paragraph 5, Schedule 1, of the Insurance Companies (Accounts and Statements) Regulations 1996, long-term business amounts of income and expenditure in foreign currencies are translated to sterling at rates ruling at the year end.

**\*4006\* Investment Income**

1. Investment income, increase (decrease) in the value of assets, expenses and taxation have been split in accordance with paragraph 13 on Schedule 4 of the Return.
2. Expenses for each long term fund are part specific and part allocated so as to reflect, as far as possible, actual involvement and work done.

**Notes to the Return**

Name of company      **Phoenix Assurance Plc**

Financial year ended    **31st December 1999**

**\*4008\* Management Services**

Arrangements were in force during the financial year for the provision of management services to the Company by Royal & Sun Alliance Life Insurance Services Limited and Royal & Sun Alliance Investment Management Limited.

**\*4009\* Late Payment Interest**

Form 40, line 21 includes interest payable on late settlement of claims. This interest in 1998 was included in form 40, line 23.

**\*4102\* Other management expenses**

Form 41, line 44 includes investment management expenses.

**\*4202 Financing reinsurance**

During 1999 the Company entered into a reinsurance agreement with Royal & Sun Alliance Linked Insurances Limited, a fellow group subsidiary. Under the reinsurance agreement, the Company paid £40m in respect of certain policy related income streams. Royal & Sun Alliance Linked Insurances Limited will pass these income streams to the Company as and when they arise. The amounts have been split, 50% life and 50% pensions and are shown in Form 42 Lines 15 and 24.

**\*4301\* Basis for determining Asset Value**

Investments and assets held to cover linked liabilities are shown at market value, for which purpose unlisted investments, mortgages and loans are included at directors' valuation and properties at professional valuation. For listed securities the stock exchange values are used. Properties are valued annually at open market value.

**\*4501,5501\* Prices per unit**

The valuation prices per unit are expressed in pounds sterling.

**Notes to the Return**

Name of company **Phoenix Assurance Plc**

Financial year ended **31st December 1999**

**NOTES ON SCHEDULE 4**

**\*4601\* UK: Non-Linked Group Contracts**

There are 24,040 Group Contracts in-force.

**\*4602\* UK: Linked Group Contracts**

There are 2 Group Contracts in-force.

**\*4603\* Overseas: Non-Linked Group Contracts**

There are 79 Group Contracts in-force.

**\*4604\* Overseas: Linked Group Contracts**

There are no Group Contracts in-force.

**\*4701\***

The number of Progressive Protection Plan policies is shown here, whilst a count of 1 for the reinsurance treaty is shown in form 51.

**\*4801\* Accrued interest**

The amounts of accrued interest included in each line are as follows:

Line	£000's
12	5,352
13	5,158
14	108
15	78

**\*5101\* Permanent Health Insurance**

Note (a) - Mortality - 70% AM80/ 80% AF80  
- Morbidity - Manchester Unity 1893 - 97 AHJ:  
- Males 110% Females 165%

**\*5701\***

The following reserves are included in the "Balance" form:

PAR Fund:

Extra premiums  
Additional Mortality Reserve  
IBNR reserve

Non Fund:

Extra Premiums  
Closed Fund Reserve  
Additional Mortality Reserve  
IBNR reserve  
Capital Gains tax reserve  
Maturity and Surrender Guarantee reserve  
Mortality and expense reserve on Promise Bond, Rose Bond, Azalea Bond and Carnation Bond.

**Statement of Additional Information on Derivative Contracts required by regulation 23 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of company      **Phoenix Assurance Plc**

Financial year ended    **31st December 1999**

**Statement pursuant to Regulation 23 of the Insurance Companies (Accounts and Statements) Regulations 1996**

- a) The Company has investment guidelines which indicate that derivative contracts are used primarily for the purposes of efficient portfolio management or reduction of investment risks which specify the types of derivative contracts which may be used and indicate the processes to be used in selecting and managing derivative contracts. The guidelines also require regular monitoring and reporting of open positions.
- b) The guidelines operated by the Company for the use of derivative contracts do not include any provisions for the use of contracts under which the Company has a right or obligation to acquire or dispose of assets which was not, at the time the contract was entered into, reasonable likely to be exercised.
- c) The Company was not a party to any such contracts of the kind described in b) at any time during the financial year.
- d) The derivative assets held are valued at market value. There would be no material change in value of any assets on Form 13 if these contracts were closed as at 31st December 1999.
- e) The position under d) would not be different if such options were exercised in such a way as to change the amounts referred to in d) to the maximum extent.
- f) The position under d) would not have been materially different at any other time during the relevant financial year.
- g) The maximum loss which would be incurred by the Company in the event of failure by any one other person to fulfil its obligations under these contracts at the end of the financial year under existing and other foreseeable market conditions is £97,791,353.

The exposure would not have been materially different at any other time during the relevant financial year.

- h) All derivative assets held during the relevant financial year are admissible.
- i) No fixed value consideration was received by the Company during the year in return for granting rights under derivative contracts.

**Statement of Additional Information on Shareholder Controllers required by regulation 24 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of company      **Phoenix Assurance Plc**

Financial year ended    **31st December 1999**

**Statement Pursuant to Regulation 24 of the Insurance Companies (Accounts and Statements) Regulations 1996**

1. The following persons have, to the knowledge of Phoenix Assurance Limited (the Company), been shareholder controllers of the Company during the year ended 31st December 1999 in descending order of parentage:

Royal & Sun Alliance Insurance Group plc

Royal & Sun Alliance Insurance plc

Royal & Sun Alliance Life Holdings Limited

2. As at 31st December 1999 the shareholder controllers held 100% of the ordinary shares of its immediate subsidiary company together with the whole of the voting power at any general meeting.



### **INFORMATION ON APPOINTED ACTUARY**

In accordance with Regulation 31 of the Insurance Companies (Accounts and Statements) Regulations 1996, the Appointed Actuary of Phoenix Assurance Plc, has been requested to furnish the particulars required in paragraph 1 of the Regulation and has accordingly furnished the following statement. The Company has reviewed the requirements of Regulation 31 and is not aware of any further information to that provided by the Actuary.

#### **Particulars of Shareholdings**

The Appointed Actuary to the Company was interested during the period from 1st January 1999 to 31st December 1999 in the share capital of the ultimate holding company as follows:-

	1st January 1999 Fully paid shares in Royal & SunAlliance Insurance Group Plc	31st December 1999 Fully paid shares in Royal & SunAlliance Insurance Group Plc
i) 27.5p Ordinary Shares		
- In own name and spouse's	26,464	34,159
ii) Options in 27.5p Ordinary Shares under employee share option schemes	47,085	34,989

#### **Particulars of Pecuniary Interests**

There is one Life Assurance contract in force between the Appointed Actuary and companies in the Royal & Sun Alliance Group Plc, the current annual premium for this being £440.

#### **Particulars of Remuneration, Benefits, Directors Emoluments, Pensions or Compensation**

The aggregate amount receivable by way of remuneration and the value of other benefits under a contract of employment with Royal & Sun Alliance Insurance Plc during 1999 was £117,475.

The Appointed Actuary is a member of the Sun Alliance Group Staff Pension Scheme on normal staff terms. The figure shown above excludes the relevant contributions.

Note:

The above information relates to Mr R A J Skillin, the Appointed Actuary from 1 January 1999 to 31 December 1999.

Certificate required by Regulation 28(a) of the Insurance Companies (Accounts and Statements) Regulations 1996.

Name of Company: Phoenix Assurance Plc

Global Business

Financial Year ended: 31st December 1999

We certify that in our opinion:

1. (a) In relation to the part of this return comprising Forms 9, 10, 13, 14, 17, 40 to 45, including the supplementary notes thereto, and the statements required by regulations 23 and 24 of the Insurance Companies (Accounts and Statements) Regulations 1996 (the "Regulations") that:
  - (i) the return has been prepared in accordance with the Regulations;
  - (ii) proper accounting records have been maintained and adequate information has been obtained by the company; and
  - (iii) an appropriate system of control has been established and maintained by the company over its transactions and records;
- (b) in respect of the company's business which is not excluded by Regulation 32 of the Insurance Companies Regulations 1994, the assets held throughout the financial year in question enabled the company to comply with Regulations 27 to 31 (matching and localisation) of those Regulations; and
- (c) in relation to the statement required by Regulation 31 that:
  - (i) for the purpose of preparing the statement, proper accounts and records have been maintained; and
  - (ii) the information given has been obtained in conformity with that Regulation;
2. The company has maintained the required margin of solvency throughout the financial year in question;
3. (a) the requirements of Sections 28 to 31 of the Insurance Companies Act 1982 ("the Act") have been fully complied with and in particular that, subject to the provisions of Section 29(2) to (4) and Section 30 of the Act, 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 fund or funds have not been applied otherwise than for the purpose of the long term business;
- (b) any amount payable from or receivable by the long term business fund or 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 Act, 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 that fund or those funds, and any exchange of assets representing such fund or funds for other assets of the company has been made at fair market value;
- (c) all guarantees given by the company of the performance by a related company which would fall to be met by the long term business fund have been disclosed in the return, and that the fund or funds on which each such guarantee would fall has been identified therein;
- (d) in respect of the internal linked fund or funds maintained by the company that, to the best of our knowledge and belief, the investment policy and practice of the company was, during the financial year in question, consistent with any representations made to policyholders or potential policyholders of the company;

- (e) the return in respect of long term business is 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 expenses and income; and
- (f) the company has fully complied with the requirements of Section 31A of the Insurance Companies Act 1982.

4. We are satisfied that:

- (a) the systems of control established and maintained by the company in respect of its business complied, at the end of the financial year in question, with the following published guidance:

Prudential Guidance Note 1994/6 - "Systems of control over the investments (and counterparty exposure) of insurance companies with particular reference to the use of derivatives";

"Money Laundering - Guidance Notes for Insurance and Retail Products" (revised June 1997) issued by the Joint Money Laundering Steering Group;

and it is reasonable to believe that those systems continued to so apply subsequently and will continue to so apply in future; and

- (b) the return has been prepared in accordance with the following published guidance:

Prudential Guidance Note 1995/1 "Guidance notes on the valuation of assets regulations"

Prudential Guidance Note 1995/3 "Use of derivative contracts in insurance funds"

Prudential Guidance Note 1998/1 "The preparation of annual returns to the Insurance Directorate of HM Treasury"

G S PATER                      DIRECTOR

R E K GREENFIELD      DIRECTOR

P S EGAN                      DIRECTOR

23 June 2000

## APPOINTED ACTUARY'S CERTIFICATE

I certify that:

- a) i) in my opinion proper records have been kept by Phoenix Assurance plc adequate for the purpose of the valuation of the liabilities of the long term business of the company; and
- ii) the mathematical reserves as shown in Form 14, together with the additional mathematical reserves as shown in line 63 of Forms 14 for certain long term funds, constitute proper provision at 31st December 1999 for the liabilities (other than liabilities which had fallen due before the end of the financial year) arising under or in connection with contracts for long term business including any increase in those liabilities arising from the distribution of surplus as a result of the investigation as at 31st December 1999 into the financial condition of long term business; the additional mathematical reserves referred to above are as follows: £80,000,000 representing provision for deferred tax; and
- iii) for the purposes of the statement in (ii) above the liabilities of the company have been assessed in accordance with Part IX of the Insurance Companies Regulations 1994 in the context of assets valued in accordance with Part VIII of those Regulations, as shown in Form 13; and
- iv) the guidance notes "Actuaries and Long-Term Insurance Business (GN1, version 5.1 effective 1 December 1998)" and "Additional Guidance for Appointed Actuaries (GN8, version 5.0 effective 1 September 1996)", issued by the Institute of Actuaries and the Faculty of Actuaries, have been complied with; and
- 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 the end of 1999 (including any amounts resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of long term business) is £184,927,000.

**R A J Skillin**  
**Fellow of the Institute of Actuaries**  
**APPOINTED ACTUARY**  
23 June 2000

**Report of the auditors to the directors pursuant to regulation 29 of the Insurance Companies (Accounts & Statements) Regulations 1996**

**PHOENIX ASSURANCE PLC**

**Global business**

**Financial year ended 31 December 1999**

We have examined the following documents prepared by the company pursuant to section 17 of the Insurance Companies Act 1982 ("the Act") and the Insurance Companies (Accounts and Statements) Regulations 1996 ("the Regulations")

- Forms 9, 10, 13, 14, 17 and 40 to 45, (including the supplementary notes thereto) ("the Forms");
- the statement required by regulation 23 on page 127 ("the statement"); and
- the certificate signed in accordance with regulation 28(a) on pages 130 and 131 ("the certificate")

In the case of the certificate, our examination did not extend to:

- (a) paragraph 1 in relation to the statements required by regulations 24 and 31 concerning shareholder controllers and the Appointed Actuary;
- (b) paragraph 3(d) concerning the investment policy and practice of internal linked funds, required by paragraph 4(d) of Schedule 6; and
- (c) paragraph 4(a) in so far as it relates to controls with respect to Money Laundering.

**Respective responsibilities of the company and its auditors**

The company is responsible for the preparation of an annual return (including the Forms, statements and certificate) under the provisions of the Act and the Regulations. (The requirements of the Regulations have been modified by an Order issued under section 68 of the Act in June 1998 and by an Order on 31 December 1998). Under regulation 5 the Forms and statements are required to be prepared in the manner specified by the Regulations and to state fairly the information provided on the basis required by the Regulations.

It is our responsibility to form an independent opinion as to whether the Forms and statement meet these requirements, and in the case of the certificate whether it was or was not unreasonable for the persons giving the certificate to have made the statements therein, and to report our opinions to you.

**Basis of opinions**

We conducted our work in accordance with Practice Note; 'The audit of insurers in the United Kingdom' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms and statement. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year on which we reported on 28 February 2000. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms and statements.

We planned and performed our work 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 Forms and statements are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with regulation 5.

In the case of the certificate, the work performed involved a review of the procedures undertaken by the signatories to enable them to make the statements therein, and does not extend to an evaluation of the effectiveness of the company's internal control systems.

In giving our opinion we have relied on the certificate of the actuary on page 132 with respect to the mathematical reserves and the required minimum margin.

*Opinions*

In our opinion:

- (a) the Forms and statement fairly state the information provided on the basis required by the Regulations (as modified) and have been properly prepared in accordance with the provisions of those Regulations; 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 not unreasonable for the persons giving the certificate to have made the statements therein.

**PricewaterhouseCoopers  
CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITORS**

23 June 2000