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UNDER THE INSURANCE
ACT 1982

AC 001242

# British Aerospace (Insurance) Limited

## Annual FSA Insurance Returns for the year ended 31st December 1998

Accounts and statements pursuant to the Insurance Companies Act 1982 and the Insurance Companies (Accounts and Statements) Regulations 1996 (as amended).

(Schedules 1 , 2 , 5 , 6 )

Returns under Insurance Companies Legislation **Form 9**

**Statement of solvency**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R9 | 999757 | GL | 31 | 12 | 1998 | £000 |

| | | As at the end of this financial year 1 | As at the end of the previous year 2 | Source Form | Line | Column |
|---|---|---|---|---|---|---|
| **GENERAL BUSINESS** | | | | | | |
| **Available assets** | | | | | | |
| Other than long term business assets allocated towards general business required minimum margin | 11 | 3027 | 13105 | See instructions 1 and 2 | | |
| **Required minimum margin** | | | | | | |
| Required minimum margin for general business | 12 | 1574 | 1030 | 12 | 49 | |
| Excess (deficiency) of available assets over the required minimum margin (11-12) | 13 | 1453 | 12075 | | | |
| **LONG TERM BUSINESS** | | | | | | |
| **Available assets** | | | | | | |
| Long term business admissible assets | 21 | | | 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 | | | See instruction 4 | | |
| Other insurance and non-insurance liabilities | 24 | | | See instruction 5 | | |
| Available assets for long term business required minimum margin (21+22-23-24) | 25 | | | | | |
| **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 | | | | | |
| **Required minimum margin** | | | | | | |
| Required minimum margin for long term business | 41 | | | 60 | 69 | |
| Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater) | 42 | | | | | |
| Excess (deficiency) of available assets over explicit required minimum margin (25-42) | 43 | | | | | |
| Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41) | 44 | | | | | |
| **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 | | |

Returns under Insurance Companies Legislation

**Form 9**

**Covering sheet to Form 9**

Printed 21st JUN 99 at 16:07

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

J.H. Meyrick Jones ........................................ **J H Meyrick Jones** **Chairman**

........................................ **M J Pratt** **Managing Director**

........................................ **E M N Thody** **Secretary**

**Farnborough,** 24 **June 1999**

Returns under Insurance Companies Legislation **Form 10**

**Statement of net assets**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R10 | 999757 | GL | 31 | 12 | 1998 | £000 |

| | | Line | 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 | | | 13 | 89 | 1 |
| Long term business - liabilities and margins | | 12 | | | 14 | 59 | 1 |
| Other than Long term business - admissible assets | | 21 | 14286 | 27672 | 13 | 89 | 1 |
| Other than Long term business - liabilities | | 22 | 11259 | 14567 | 15 | 69 | 1 |
| Net admissible assets (21-22) | | 23 | 3027 | 13105 | | | |
| 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 | 3027 | 13105 | | | |
| **Represented by:** | | | | | | | |
| Paid up share capital (other than cumulative preference share capital) | | 51 | 5700 | 5700 | | | |
| Amounts included in lines 24 to 27 above | | 52 | | | | | |
| Amounts representing the balance of net assets | | 56 | (2673) | 7405 | | | |
| Total (51 to 56) and equal to line 29 above | | 59 | 3027 | 13105 | | | |
| **Movement of balance of net assets for solvency purposes - as per line 56** | | | | | | | |
| Balance brought forward at the beginning of the financial year | | 61 | 7405 | 6000 | 10 | 56 | 2 |
| Retained profit/(loss) for the financial year | | 62 | 992 | 1227 | 16 | 59 | 1 |
| Movement in asset valuation differences | | 63 | (11070) | 178 | 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 | (2673) | 7405 | | | |

Returns under Insurance Companies Legislation

**Form 11**

**General business : Calculation of required margin of solvency - first method**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R11 | 999757 | GL | 31 | 12 | 1998 | £000 |

| | | | | This financial year<br>1 | Previous year<br>2 |
|---|---|---|---|---|---|
| Gross premiums receivable | | | 11 | 11884 | 12016 |
| Premium taxes and levies (included in line 11) | | | 12 | | |
| **Sub-total A** (11-12) | | | 13 | 11884 | 12016 |
| Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure | | | 14 | | |
| Division of Sub-total A (or adjusted Sub-total A if appropriate) | Other than health insurance | Up to and including sterling equivalent of 10M ECU x 18/100 | 15 | 1270 | 1228 |
| | | Excess (if any) over 10M ECU x 16/100 | 16 | 772 | 831 |
| | Health insurance | Up to and including sterling equivalent of 10M ECU x 6/100 | 17 | | |
| | | Excess (if any) over 10M ECU x 16/300 | 18 | | |
| **Sub-total B** (15+16+17+18) | | | 19 | 2042 | 2059 |
| Claims paid | | | 21 | 8519 | 9678 |
| Claims outstanding carried forward at the end of the financial year | For business accounted for on an underwriting year basis | | 22 | | |
| | For business accounted for on an accident year basis | | 23 | 4102 | 8887 |
| Claims outstanding brought forward at the beginning of the financial year | For business accounted for on an underwriting year basis | | 24 | | |
| | For business accounted for on an accident year basis | | 25 | 8887 | 12387 |
| **Sub-total C** (21+22+23-(24+25)) | | | 29 | 3734 | 6178 |
| Amounts recoverable from reinsurers in respect of claims included in Sub-total C | | | 30 | 856 | 3215 |
| **Sub-total D** (29-30) | | | 39 | 2878 | 2963 |
| **First result**<br>Sub-total B x Sub-total D (or, if ½ is a greater fraction, x ½) / Sub-total C | | | 41 | 1574 | 1030 |

Printed 21st JUN 99 at 15:44

**General business : Calculation of required margin of solvency - second method, and statement of required minimum margin**

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R12 | 999757 | GL | 31 | 12 | 1998 | £000 |

| | | | | This financial year 1 | Previous year 2 | Source Form | Line | Column |
|---|---|---|---|---|---|---|---|---|
| Reference period (No. of financial years) Insert "0" if there is no reference period otherwise insert "3" or "7" | | | 3 | 11 | | | See Instruction 1 | | |
| Claims paid in reference period | | | 21 | 23370 | 16052 | | | |
| Claims outstanding carried forward at the end of the reference period | For business accounted for on an underwriting year basis | | 22 | | | | | |
| | For business accounted for on an accident year basis | | 23 | 4102 | 8887 | | | |
| Claims outstanding brought forward at the beginning of the reference period | For business accounted for on an underwriting year basis | | 24 | | | | | |
| | For business accounted for on an accident year basis | | 25 | 8065 | 1761 | | | |
| **Sub-total E** (21+22+23-(24+25)) | | | 29 | 19407 | 23178 | | | |
| **Sub-total F** - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period) | | | 31 | 6469 | 7726 | | | |
| Division of Sub-total F | Other than health insurance | Up to and including sterling equivalent of 7M ECU x 26/100 | 32 | 1284 | 1242 | | | |
| | | Excess (if any) over 7M ECU x 23/100 | 33 | 352 | 678 | | | |
| | Health insurance | Up to and including sterling equivalent of 7M ECU x 26/300 | 34 | | | | | |
| | | Excess (if any) over 7M ECU x 23/300 | 35 | | | | | |
| **Sub-total G** (32 to 35) | | | 39 | 1636 | 1920 | | | |
| **Second result** | Sub-total G x Sub-total D / Sub-total C | (or, if ½ is a greater fraction, x ½) | 41 | 1261 | 960 | | | |
| First result | | | 42 | 1574 | 1030 | | 11 | 41 |
| Required margin of solvency (the higher of lines 41 and 42) | | | 43 | 1574 | 1030 | | | |
| Minimum guarantee fund | | | 44 | 212 | 205 | | | |
| Required minimum margin (the higher of lines 43 and 44) | | | 49 | 1574 | 1030 | | | |

Returns under Insurance Companies Legislation

**Form 13**
**(Sheet 1)**

**Analysis of admissible assets**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Category of assets **Assets maintained in the United Kingdom**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Category of assets |
|---|---|---|---|---|---|---|---|
| R13 | 999757 | GL | 31 | 12 | 1998 | £000 | 3 |

## Investments

| | | | | As at the end of this financial year 1 | As at the end of the previous year 2 |
|---|---|---|---|---|---|
| Land and buildings | | | 11 | | |
| 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 | | |
| | | 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 | | |

Returns under Insurance Companies Legislation

**Form 13 (Sheet 2)**

Printed 21st JUN 99 at 15:44

**Analysis of admissible assets**

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Category of assets **Assets maintained in the United Kingdom**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Category of assets |
|---|---|---|---|---|---|---|---|
| R13 | 999757 | GL | 31 | 12 | 1998 | £000 | 3 |

**Investments (continued)**
**Deposits with ceding undertakings**
**Assets held to cover linked liabilities**

| | | | | As at the end of this financial year 1 | As at the end of the previous year 2 |
|---|---|---|---|---|---|
| Other financial investments | Equity shares | | 41 | | |
| | Other shares and other variable yield securities | | 42 | | |
| | Holdings in collective investment schemes | | 43 | | |
| | Rights under derivative contracts | | 44 | | |
| | Debt securities and other fixed income securities | Fixed interest — Approved securities | 45 | | |
| | | Fixed interest — Other | 46 | | |
| | | Variable interest — Approved securities | 47 | | |
| | | Variable interest — Other | 48 | | |
| | Participation in investment pools | | 49 | | |
| | Loans secured by mortgages | | 50 | | |
| | 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 | | |
| | | 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 | 9902 | 20972 |
| | Other | | 56 | | |
| Deposits with ceding undertakings | | | 57 | | |
| Assets held to match linked liabilities | | Index linked | 58 | | |
| | | Property linked | 59 | | |
| Reinsurers' share of technical provisions | | Provision for unearned premiums | 60 | 85 | 42 |
| | | Claims outstanding | 61 | 1435 | 5054 |
| | | Provision for unexpired risks | 62 | | |
| | | Other | 63 | | |
| Total sheet 2 (41 to 63) | | | 69 | 11422 | 26068 |

Returns under Insurance Companies Legislation

**Form 13 (Sheet 3)**

Printed 21st JUN 99 at 15:44

## Analysis of admissible assets

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Category of assets **Assets maintained in the United Kingdom**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Category of assets |
|---|---|---|---|---|---|---|---|
| R13 | 999757 | GL | 31 | 12 | 1998 | £000 | 3 |

**Debtors**
**Other assets**

| | | | Line | As at the end of this financial year 1 | As at the end of the previous year 2 |
|---|---|---|---|---|---|
| Debtors arising out of direct insurance operations | Policyholders | | 71 | | |
| | Intermediaries | | 72 | 228 | 75 |
| Salvage and subrogation recoveries | | | 73 | | |
| Debtors arising out of reinsurance operations | Due from ceding insurers and intermediaries under reinsurance business accepted | | 74 | | |
| | Due from reinsurers and intermediaries under reinsurance contracts ceded | | 75 | 173 | 375 |
| Other debtors | Due from dependants | Due in 12 months or less after the end of the financial year | 76 | | |
| | | 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 | 76 | 106 |
| | | 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 | 2101 | 620 |
| | 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 | 255 | 410 |
| | Deferred acquisition costs | | 85 | 31 | 18 |
| | 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 | 2864 | 1604 |
| Grand total of admissible assets (39+69+88) | | | 89 | 14286 | 27672 |

**Reconciliation to asset values determined in accordance with the shareholder accounts rules**

| | Line | 1 | 2 |
|---|---|---|---|
| Total admissible assets (as per line 89 above) | 91 | 14286 | 27672 |
| 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 | 13760 | 2690 |
| Solvency margin deduction for insurance dependants | 93 | | |
| Other differences in the valuation of assets (other than for assets not valued above) | 94 | | |
| 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 | 28046 | 30362 |

| | Line | |
|---|---|---|
| Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance | 100 | |

Returns under Insurance Companies Legislation **Form 15**

**Liabilities (other than long term business)**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R15 | 999757 | GL | 31 | 12 | 1998 | £000 |

| | | | | As at the end of this financial year 1 | As at the end of the previous year 2 |
|---|---|---|---|---|---|
| Technical provisions (gross amount) | Provision for unearned premiums | | 11 | 337 | 209 |
| | Claims outstanding | | 12 | 4102 | 8887 |
| | Provision for unexpired risks | | 13 | | |
| | Equalisation provisions | Credit business | 14 | | |
| | | Other than credit business | 15 | 35 | 24 |
| | Other | | 16 | | |
| | Total (11 to 16) | | 19 | 4474 | 9120 |
| Provisions for other risks and charges | Taxation | | 21 | | |
| | Other | | 22 | | |
| Deposits received from reinsurers | | | 31 | | |
| Creditors | Arising out of insurance operations | Direct business | 41 | 200 | 250 |
| | | Reinsurance accepted | 42 | | |
| | | Reinsurance ceded | 43 | 92 | |
| | Debenture loans | Secured | 44 | | |
| | | Unsecured | 45 | | |
| | Amounts owed to credit institutions | | 46 | | |
| | Other creditors | Taxation | 47 | | |
| | | Recommended dividend | 48 | | |
| | | Other | 49 | 6490 | 5195 |
| Accruals and deferred income | | | 51 | 3 | 2 |
| Total (19 to 51) | | | 59 | 11259 | 14567 |
| Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994) | | | 61 | | |
| Cumulative preference share capital | | | 62 | | |
| Subordinated loan capital | | | 63 | | |
| Total (59 to 63) | | | 69 | 11259 | 14567 |
| Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance | | | 71 | 6064 | 4795 |

Returns under Insurance Companies Legislation

**Form 16**

**Profit and loss account (non-technical account)**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R16 | 999757 | GL | 31 | 12 | 1998 | £000 |

| | | | | This financial year 1 | Previous year 2 | Source Form | Line | Column |
|---|---|---|---|---|---|---|---|---|
| Transfer (to)/from the general business technical account | From Form 20 | | 11 | (813) | (474) | 20 | 59 | |
| | Equalisation provisions | | 12 | (11) | (24) | | | |
| Transfer from the long term business revenue account | | | 13 | | | 40 | 26 | |
| Investment income | Income | | 14 | 1816 | 1622 | | | |
| | Value re-adjustments on investments | | 15 | | | | | |
| | Gains on the realisation of investments | | 16 | | | | | |
| Investment charges | Investment management charges, including interest | | 17 | | | | | |
| | Value re-adjustments on investments | | 18 | | | | | |
| | Loss on the realisation of investments | | 19 | | | | | |
| Allocated investment return transferred to the general business technical account | | | 20 | | | 20 | 51 | |
| Other income and charges (particulars to be specified by way of supplementary note) | | | 21 | | | | | |
| Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21) | | | 29 | 992 | 1124 | | | |
| Tax on profit or loss on ordinary activities | | | 31 | | (103) | | | |
| Profit or loss on ordinary activities after tax (29-31) | | | 39 | 992 | 1227 | | | |
| Extraordinary profit or loss (particulars to be specified by way of supplementary note) | | | 41 | | | | | |
| Tax on extraordinary profit or loss | | | 42 | | | | | |
| Other taxes not shown under the preceding items | | | 43 | | | | | |
| Profit or loss for the financial year (39+41-(42+43)) | | | 49 | 992 | 1227 | | | |
| Dividends (paid and proposed) | | | 51 | | | | | |
| Profit or loss retained for the financial year (49-51) | | | 59 | 992 | 1227 | | | |

Returns under Insurance Companies Legislation

**Form 20**

**General business : Technical account (excluding equalisation provisions)**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Summary**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class/ summary |
|---|---|---|---|---|---|---|---|
| R20 | 999757 | GL | 31 | 12 | 1998 | £000 | 99 |

## Items to be shown net of reinsurance

| | | | This financial year 1 | Previous year 2 | Source Form . Line . Column |
|---|---|---|---|---|---|
| This year's underwriting (accident year accounting) | Earned premium | 11 | 3738 | 3783 | 21 . 19 . 5 |
| | Claims incurred | 12 | 2571 | 2070 | 22 . 17 . 4 |
| | Claims management costs | 13 | | | 22 . 18 . 4 |
| | Adjustment for discounting | 14 | | | 22 . 52 . 4 |
| | Increase in provision for unexpired risks | 15 | | | 22 . 19 . 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 16 | | | |
| | Net operating expenses | 17 | 1657 | 1277 | 22 . 42 . 4 |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | (490) | 436 | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium | 21 | | | 21 . 11 . 5 |
| | Claims incurred | 22 | 307 | 893 | 22 . 13 . 4 |
| | Claims management costs | 23 | | | 22 . 14 . 4 |
| | Adjustment for discounting | 24 | | | 22 . 51 . 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 25 | | | |
| | Net operating expenses | 26 | 16 | 17 | 22 . 41 . 4 |
| | Balance (21-22-23+24+25-26) | 29 | (323) | (910) | |
| Balance from underwriting year accounting | Per Form 24 | 31 | | | 24 . 69. 99-99 |
| | Other technical income and charges (particulars to be specified by way of supplementary note) | 32 | | | |
| | Total | 39 | | | |
| Balance of all years' underwriting (19+29+39) | | 49 | (813) | (474) | |
| Allocated investment return | | 51 | | | |
| Transfer to non-technical account (49+51) | | 59 | (813) | (474) | |

Returns under Insurance Companies Legislation **Form 20**

**General business : Technical account (excluding equalisation provisions)**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Accident and health**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class/ summary |
|---|---|---|---|---|---|---|---|
| R20 | 999757 | GL | 31 | 12 | 1998 | £000 | 1 |

**Items to be shown net of reinsurance**

| | | | This financial year 1 | Previous year 2 | Source Form | Line | Column |
|---|---|---|---|---|---|---|---|
| This year's underwriting (accident year accounting) | Earned premium | 11 | 1387 | 1372 | 21 | 19 | 5 |
| | Claims incurred | 12 | 1661 | 832 | 22 | 17 | 4 |
| | Claims management costs | 13 | | | 22 | 18 | 4 |
| | Adjustment for discounting | 14 | | | 22 | 52 | 4 |
| | Increase in provision for unexpired risks | 15 | | | 22 | 19 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 16 | | | | | |
| | Net operating expenses | 17 | 276 | 242 | 22 | 42 | 4 |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | (550) | 298 | | | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium | 21 | | | 21 | 11 | 5 |
| | Claims incurred | 22 | 510 | (25) | 22 | 13 | 4 |
| | Claims management costs | 23 | | | 22 | 14 | 4 |
| | Adjustment for discounting | 24 | | | 22 | 51 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 25 | | | | | |
| | Net operating expenses | 26 | | | 22 | 41 | 4 |
| | Balance (21-22-23+24+25-26) | 29 | (510) | 25 | | | |
| Balance from underwriting year accounting | Per Form 24 | 31 | | | 24 | 69 | 99-99 |
| | Other technical income and charges (particulars to be specified by way of supplementary note) | 32 | | | | | |
| | Total | 39 | | | | | |
| Balance of all years' underwriting (19+29+39) | | 49 | (1060) | 323 | | | |
| Allocated investment return | | 51 | | | | | |
| Transfer to non-technical account (49+51) | | 59 | (1060) | 323 | | | |

Returns under Insurance Companies Legislation **Form 20**

**General business : Technical account (excluding equalisation provisions)** Printed 21st JUN 99 at 15:44

| | |
|---|---|
| Name of company | **British Aerospace (Insurance) Limited** |
| Global business | |
| Financial year ended | **31st December 1998** |
| Accounting class | **Aviation** |

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class/ summary |
|---|---|---|---|---|---|---|---|
| R20 | 999757 | GL | 31 | 12 | 1998 | £000 | 3 |

**Items to be shown net of reinsurance**

| | | Line | This financial year 1 | Previous year 2 | Source Form | Line | Column |
|---|---|---|---|---|---|---|---|
| This year's underwriting (accident year accounting) | Earned premium | 11 | 567 | 593 | 21 | 19 | 5 |
| | Claims incurred | 12 | 100 | 561 | 22 | 17 | 4 |
| | Claims management costs | 13 | | | 22 | 18 | 4 |
| | Adjustment for discounting | 14 | | | 22 | 52 | 4 |
| | Increase in provision for unexpired risks | 15 | | | 22 | 19 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 16 | | | | | |
| | Net operating expenses | 17 | 141 | 137 | 22 | 42 | 4 |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | 326 | (105) | | | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium | 21 | | | 21 | 11 | 5 |
| | Claims incurred | 22 | 517 | (26) | 22 | 13 | 4 |
| | Claims management costs | 23 | | | 22 | 14 | 4 |
| | Adjustment for discounting | 24 | | | 22 | 51 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 25 | | | | | |
| | Net operating expenses | 26 | 16 | 17 | 22 | 41 | 4 |
| | Balance (21-22-23+24+25-26) | 29 | (533) | 9 | | | |
| Balance from underwriting year accounting | Per Form 24 | 31 | | | 24 | 69 | 99-99 |
| | Other technical income and charges (particulars to be specified by way of supplementary note) | 32 | | | | | |
| | Total | 39 | | | | | |
| Balance of all years' underwriting (19+29+39) | | 49 | (207) | (96) | | | |
| Allocated investment return | | 51 | | | | | |
| Transfer to non-technical account (49+51) | | 59 | (207) | (96) | | | |

Returns under Insurance Companies Legislation

**Form 20**

**General business : Technical account (excluding equalisation provisions)**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Transport**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class/ summary |
|---|---|---|---|---|---|---|---|
| R20 | 999757 | GL | 31 | 12 | 1998 | £000 | 5 |

**Items to be shown net of reinsurance**

| | | | This financial year 1 | Previous year 2 | Source Form | Line | Column |
|---|---|---|---|---|---|---|---|
| This year's underwriting (accident year accounting) | Earned premium | 11 | 118 | 130 | 21 | 19 | 5 |
| | Claims incurred | 12 | 72 | 4 | 22 | 17 | 4 |
| | Claims management costs | 13 | | | 22 | 18 | 4 |
| | Adjustment for discounting | 14 | | | 22 | 52 | 4 |
| | Increase in provision for unexpired risks | 15 | | | 22 | 19 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 16 | | | | | |
| | Net operating expenses | 17 | 94 | 81 | 22 | 42 | 4 |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | (48) | 45 | | | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium | 21 | | | 21 | 11 | 5 |
| | Claims incurred | 22 | 6 | | 22 | 13 | 4 |
| | Claims management costs | 23 | | | 22 | 14 | 4 |
| | Adjustment for discounting | 24 | | | 22 | 51 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 25 | | | | | |
| | Net operating expenses | 26 | | | 22 | 41 | 4 |
| | Balance (21-22-23+24+25-26) | 29 | (6) | | | | |
| Balance from underwriting year accounting | Per Form 24 | 31 | | | 24 | 69 | 99-99 |
| | Other technical income and charges (particulars to be specified by way of supplementary note) | 32 | | | | | |
| | Total | 39 | | | | | |
| Balance of all years' underwriting (19+29+39) | | 49 | (54) | 45 | | | |
| Allocated investment return | | 51 | | | | | |
| Transfer to non-technical account (49+51) | | 59 | (54) | 45 | | | |

Returns under Insurance Companies Legislation **Form 20**

**General business : Technical account (excluding equalisation provisions)**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Property**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class/ summary |
|---|---|---|---|---|---|---|---|
| R20 | 999757 | GL | 31 | 12 | 1998 | £000 | 6 |

**Items to be shown net of reinsurance**

| | | | This financial year 1 | Previous year 2 | Source Form | Line | Column |
|---|---|---|---|---|---|---|---|
| This year's underwriting (accident year accounting) | Earned premium | 11 | 1136 | 1144 | 21 | 19 | 5 |
| | Claims incurred | 12 | 650 | 635 | 22 | 17 | 4 |
| | Claims management costs | 13 | | | 22 | 18 | 4 |
| | Adjustment for discounting | 14 | | | 22 | 52 | 4 |
| | Increase in provision for unexpired risks | 15 | | | 22 | 19 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 16 | | | | | |
| | Net operating expenses | 17 | 775 | 549 | 22 | 42 | 4 |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | (289) | (40) | | | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium | 21 | | | 21 | 11 | 5 |
| | Claims incurred | 22 | 57 | (245) | 22 | 13 | 4 |
| | Claims management costs | 23 | | | 22 | 14 | 4 |
| | Adjustment for discounting | 24 | | | 22 | 51 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 25 | | | | | |
| | Net operating expenses | 26 | | | 22 | 41 | 4 |
| | Balance (21-22-23+24+25-26) | 29 | (57) | 245 | | | |
| Balance from underwriting year accounting | Per Form 24 | 31 | | | 24 | 69 | 99-99 |
| | Other technical income and charges (particulars to be specified by way of supplementary note) | 32 | | | | | |
| | Total | 39 | | | | | |
| Balance of all years' underwriting (19+29+39) | | 49 | (346) | 205 | | | |
| Allocated investment return | | 51 | | | | | |
| Transfer to non-technical account (49+51) | | 59 | (346) | 205 | | | |

Returns under Insurance Companies Legislation

**Form 20**

**General business : Technical account (excluding equalisation provisions)**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Miscellaneous and pecuniary loss**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class/ summary |
|---|---|---|---|---|---|---|---|
| R20 | 999757 | GL | 31 | 12 | 1998 | £000 | 8 |

**Items to be shown net of reinsurance**

| | | Line | This financial year 1 | Previous year 2 | Source Form | Line | Column |
|---|---|---|---|---|---|---|---|
| This year's underwriting (accident year accounting) | Earned premium | 11 | 530 | 544 | 21 | 19 | 5 |
| | Claims incurred | 12 | 88 | 38 | 22 | 17 | 4 |
| | Claims management costs | 13 | | | 22 | 18 | 4 |
| | Adjustment for discounting | 14 | | | 22 | 52 | 4 |
| | Increase in provision for unexpired risks | 15 | | | 22 | 19 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 16 | | | | | |
| | Net operating expenses | 17 | 371 | 268 | 22 | 42 | 4 |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | 71 | 238 | | | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium | 21 | | | 21 | 11 | 5 |
| | Claims incurred | 22 | (783) | 1189 | 22 | 13 | 4 |
| | Claims management costs | 23 | | | 22 | 14 | 4 |
| | Adjustment for discounting | 24 | | | 22 | 51 | 4 |
| | Other technical income or charges (particulars to be specified by way of supplementary note) | 25 | | | | | |
| | Net operating expenses | 26 | | | 22 | 41 | 4 |
| | Balance (21-22-23+24+25-26) | 29 | 783 | (1189) | | | |
| Balance from underwriting year accounting | Per Form 24 | 31 | | | 24 | 69 | 99-99 |
| | Other technical income and charges (particulars to be specified by way of supplementary note) | 32 | | | | | |
| | Total | 39 | | | | | |
| Balance of all years' underwriting (19+29+39) | | 49 | 854 | (951) | | | |
| Allocated investment return | | 51 | | | | | |
| Transfer to non-technical account (49+51) | | 59 | 854 | (951) | | | |

**Form 21**

**General business (accident year accounting) : Analysis of premiums**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Accident and health**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R21 | 999757 | GL | 31 | 12 | 1998 | £000 | 1 |

| | | Gross premiums written | | Reinsurers' share | | Net of reinsurance | |
|---|---|---|---|---|---|---|---|
| **Premiums receivable during the financial year** | | Earned in previous financial years<br>1 | | Earned in previous financial years<br>3 | | Earned in previous financial years<br>5 | |
| In respect of risks incepted in previous financial years | 11 | | | | | | |
| | | Earned in this financial year<br>1 | Unearned at end of this financial year<br>2 | Earned in this financial year<br>3 | Unearned at end of this financial year<br>4 | Earned in this financial year<br>5 | Unearned at end of this financial year<br>6 |
| In respect of risks incepted in previous financial years | 12 | | | | | | |
| In respect of risks incepted in this financial year — For periods of less than 12 months | 13 | | | | | | |
| In respect of risks incepted in this financial year — For periods of 12 months | 14 | 1396 | 32 | 35 | 16 | 1361 | 16 |
| In respect of risks incepted in this financial year — For periods of more than 12 months | 15 | | | | | | |
| Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year | 16 | 26 | | | | 26 | |
| Total (12 to 16) | 19 | 1422 | 32 | 35 | 16 | 1387 | 16 |

General business (accident year accounting) : **Analysis of premiums**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Aviation**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R21 | 999757 | GL | 31 | 12 | 1998 | £000 | 3 |

| **Premiums receivable during the financial year** | | Gross premiums written: Earned in previous financial years 1 | | Reinsurers' share: Earned in previous financial years 3 | | Net of reinsurance: Earned in previous financial years 5 | |
|---|---|---|---|---|---|---|---|
| In respect of risks incepted in previous financial years | 11 | | | | | | |

| | | | Earned in this financial year 1 | Unearned at end of this financial year 2 | Earned in this financial year 3 | Unearned at end of this financial year 4 | Earned in this financial year 5 | Unearned at end of this financial year 6 |
|---|---|---|---|---|---|---|---|---|
| In respect of risks incepted in previous financial years | | 12 | | | | | | |
| In respect of risks incepted in this financial year | For periods of less than 12 months | 13 | 124 | | 28 | | 96 | |
| | For periods of 12 months | 14 | 427 | 305 | 97 | 69 | 330 | 236 |
| | For periods of more than 12 months | 15 | | | | | | |
| Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year | | 16 | 183 | | 42 | | 141 | |
| Total (12 to 16) | | 19 | 734 | 305 | 167 | 69 | 567 | 236 |

## General business (accident year accounting) : Analysis of premiums

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Transport**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R21 | 999757 | GL | 31 | 12 | 1998 | £000 | 5 |

**Premiums receivable during the financial year**

| | | Gross premiums written: Earned in previous financial years 1 | | Reinsurers' share: Earned in previous financial years 3 | | Net of reinsurance: Earned in previous financial years 5 | |
|---|---|---|---|---|---|---|---|
| In respect of risks incepted in previous financial years | 11 | | | | | | |

| | | | Earned in this financial year 1 | Unearned at end of this financial year 2 | Earned in this financial year 3 | Unearned at end of this financial year 4 | Earned in this financial year 5 | Unearned at end of this financial year 6 |
|---|---|---|---|---|---|---|---|---|
| In respect of risks incepted in previous financial years | | 12 | | | | | | |
| In respect of risks incepted in this financial year | For periods of less than 12 months | 13 | | | | | | |
| | For periods of 12 months | 14 | 591 | | 473 | | 118 | |
| | For periods of more than 12 months | 15 | | | | | | |
| Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year | | 16 | | | | | | |
| Total (12 to 16) | | 19 | 591 | | 473 | | 118 | |

**Form 21**

General business (accident year accounting) : Analysis of premiums

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Property**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R21 | 999757 | GL | 31 | 12 | 1998 | £000 | 6 |

| Premiums receivable during the financial year | | Gross premiums written: Earned in previous financial years 1 | | Reinsurers' share: Earned in previous financial years 3 | | Net of reinsurance: Earned in previous financial years 5 | |
|---|---|---|---|---|---|---|---|
| In respect of risks incepted in previous financial years | 11 | | | | | | |

| | | Earned in this financial year 1 | Unearned at end of this financial year 2 | Earned in this financial year 3 | Unearned at end of this financial year 4 | Earned in this financial year 5 | Unearned at end of this financial year 6 |
|---|---|---|---|---|---|---|---|
| In respect of risks incepted in previous financial years | 12 | | | | | | |
| In respect of risks incepted in this financial year: For periods of less than 12 months | 13 | | | | | | |
| In respect of risks incepted in this financial year: For periods of 12 months | 14 | 6054 | | 4918 | | 1136 | |
| In respect of risks incepted in this financial year: For periods of more than 12 months | 15 | | | | | | |
| Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year | 16 | | | | | | |
| Total (12 to 16) | 19 | 6054 | | 4918 | | 1136 | |

**Form 21**

Printed 21st JUN 99 at 15:44

**General business (accident year accounting) : Analysis of premiums**

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Miscellaneous and pecuniary loss**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R21 | 999757 | GL | 31 | 12 | 1998 | £000 | 8 |

| Premiums receivable during the financial year | | Gross premiums written: Earned in previous financial years 1 | | Reinsurers' share: Earned in previous financial years 3 | | Net of reinsurance: Earned in previous financial years 5 | |
|---|---|---|---|---|---|---|---|
| In respect of risks incepted in previous financial years | 11 | | | | | | |

| | | | Earned in this financial year 1 | Unearned at end of this financial year 2 | Earned in this financial year 3 | Unearned at end of this financial year 4 | Earned in this financial year 5 | Unearned at end of this financial year 6 |
|---|---|---|---|---|---|---|---|---|
| In respect of risks incepted in previous financial years | | 12 | | | | | | |
| In respect of risks incepted in this financial year | For periods of less than 12 months | 13 | | | | | | |
| | For periods of 12 months | 14 | 2955 | | 2425 | | 530 | |
| | For periods of more than 12 months | 15 | | | | | | |
| Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year | | 16 | | | | | | |
| Total (12 to 16) | | 19 | 2955 | | 2425 | | 530 | |

Returns under Insurance Companies Legislation **Form 22**

**General business (accident year accounting) : Analysis of claims, expenses and technical provisions**

Name of company **British Aerospace (Insurance) Limited**

Printed 21st JUN 99 at 15:44

Global business

Financial year ended **31st December 1998**

Accounting class **Accident and health**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R22 | 999757 | GL | 31 | 12 | 1998 | £000 | 1 |

| | | | Amount brought forward from previous financial year 1 | Amount payable/receivable in this financial year 2 | Amount carried forward to next financial year 3 | Amount attributable to this financial year 4 |
|---|---|---|---|---|---|---|
| Claims incurred in respect of incidents occurring prior to this financial year | Gross amount | 11 | 334 | 783 | 61 | 510 |
| | Reinsurers' share | 12 | | | | |
| | Net (11-12) | 13 | 334 | 783 | 61 | 510 |
| | Claims management costs | 14 | | | | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | 1429 | 232 | 1661 |
| | Reinsurers' share | 16 | | | | |
| | Net (15-16) | 17 | | 1429 | 232 | 1661 |
| | Claims management costs | 18 | | | | |
| Provision for unexpired risks | | 19 | | | | |
| Net operating expenses | Commissions | 21 | | 102 | | 102 |
| | Other acquisition expenses | 22 | | | | |
| | Administrative expenses | 23 | | 178 | | 178 |
| | Reinsurance commissions and profit participations | 24 | | 4 | | 4 |
| | Total (21+22+23-24) | 29 | | 276 | | 276 |
| Adjustments for discounting in respect of the items shown at lines 11 to 18 above | Gross amount | 31 | | | | |
| | Reinsurers' share | 32 | | | | |
| | Claims management costs | 33 | | | | |
| | Total (31-32+33) | 39 | | | | |
| Split of line 29 | Prior financial years | 41 | | | | |
| | This financial year | 42 | | 276 | | 276 |
| Split of line 39 | Incidents occurring prior to this financial year | 51 | | | | |
| | Incidents occurring in this financial year | 52 | | | | |

Returns under Insurance Companies Legislation **Form 22**

**General business (accident year accounting) : Analysis of claims, expenses and technical provisions**

Name of company **British Aerospace (Insurance) Limited** Printed 21st JUN 99 at 15:44

Global business

Financial year ended **31st December 1998**

Accounting class **Aviation**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R22 | 999757 | GL | 31 | 12 | 1998 | £000 | 3 |

| | | | Amount brought forward from previous financial year 1 | Amount payable/receivable in this financial year 2 | Amount carried forward to next financial year 3 | Amount attributable to this financial year 4 |
|---|---|---|---|---|---|---|
| Claims incurred in respect of incidents occurring prior to this financial year | Gross amount | 11 | 764 | 43 | 1145 | 424 |
| | Reinsurers' share | 12 | 100 | 4 | 3 | (93) |
| | Net (11-12) | 13 | 664 | 39 | 1142 | 517 |
| | Claims management costs | 14 | | | | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | | 100 | 100 |
| | Reinsurers' share | 16 | | | | |
| | Net (15-16) | 17 | | | 100 | 100 |
| | Claims management costs | 18 | | | | |
| Provision for unexpired risks | | 19 | | | | |
| Net operating expenses | Commissions | 21 | 18 | 86 | 31 | 73 |
| | Other acquisition expenses | 22 | | | | |
| | Administrative expenses | 23 | | 92 | | 92 |
| | Reinsurance commissions and profit participations | 24 | 2 | 10 | 4 | 8 |
| | Total (21+22+23-24) | 29 | 16 | 168 | 27 | 157 |
| Adjustments for discounting in respect of the items shown at lines 11 to 18 above | Gross amount | 31 | | | | |
| | Reinsurers' share | 32 | | | | |
| | Claims management costs | 33 | | | | |
| | Total (31-32+33) | 39 | | | | |
| Split of line 29 | Prior financial years | 41 | 16 | | | 16 |
| | This financial year | 42 | | 168 | 27 | 141 |
| Split of line 39 | Incidents occurring prior to this financial year | 51 | | | | |
| | Incidents occurring in this financial year | 52 | | | | |

Returns under Insurance Companies Legislation **Form 22**

**General business (accident year accounting) : Analysis of claims, expenses and technical provisions**

Name of company **British Aerospace (Insurance) Limited**

Printed 21st JUN 99 at 15:44

Global business

Financial year ended **31st December 1998**

Accounting class **Transport**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R22 | 999757 | GL | 31 | 12 | 1998 | £000 | 5 |

| | | | Amount brought forward from previous financial year 1 | Amount payable/receivable in this financial year 2 | Amount carried forward to next financial year 3 | Amount attributable to this financial year 4 |
|---|---|---|---|---|---|---|
| Claims incurred in respect of incidents occurring prior to this financial year | Gross amount | 11 | 32 | 35 | 21 | 24 |
| | Reinsurers' share | 12 | 26 | 28 | 16 | 18 |
| | Net (11-12) | 13 | 6 | 7 | 5 | 6 |
| | Claims management costs | 14 | | | | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | | 360 | 360 |
| | Reinsurers' share | 16 | | | 288 | 288 |
| | Net (15-16) | 17 | | | 72 | 72 |
| | Claims management costs | 18 | | | | |
| Provision for unexpired risks | | 19 | | | | |
| Net operating expenses | Commissions | 21 | | 58 | | 58 |
| | Other acquisition expenses | 22 | | | | |
| | Administrative expenses | 23 | | 74 | | 74 |
| | Reinsurance commissions and profit participations | 24 | | 38 | | 38 |
| | Total (21+22+23-24) | 29 | | 94 | | 94 |
| Adjustments for discounting in respect of the items shown at lines 11 to 18 above | Gross amount | 31 | | | | |
| | Reinsurers' share | 32 | | | | |
| | Claims management costs | 33 | | | | |
| | Total (31-32+33) | 39 | | | | |
| Split of line 29 | Prior financial years | 41 | | | | |
| | This financial year | 42 | | 94 | | 94 |
| Split of line 39 | Incidents occurring prior to this financial year | 51 | | | | |
| | Incidents occurring in this financial year | 52 | | | | |

Returns under Insurance Companies Legislation **Form 22**

**General business (accident year accounting) : Analysis of claims, expenses and technical provisions**

Name of company **British Aerospace (Insurance) Limited**

Printed 21st JUN 99 at 15:44

Global business

Financial year ended **31st December 1998**

Accounting class **Property**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R22 | 999757 | GL | 31 | 12 | 1998 | £000 | 6 |

| | | | Amount brought forward from previous financial year<br>1 | Amount payable/receivable in this financial year<br>2 | Amount carried forward to next financial year<br>3 | Amount attributable to this financial year<br>4 |
|---|---|---|---|---|---|---|
| Claims incurred in respect of incidents occurring prior to this financial year | Gross amount | 11 | 3059 | 3704 | 878 | 1523 |
| | Reinsurers' share | 12 | 1726 | 2690 | 502 | 1466 |
| | Net (11-12) | 13 | 1333 | 1014 | 376 | 57 |
| | Claims management costs | 14 | | | | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | 353 | 748 | 1101 |
| | Reinsurers' share | 16 | | 270 | 181 | 451 |
| | Net (15-16) | 17 | | 83 | 567 | 650 |
| | Claims management costs | 18 | | | | |
| Provision for unexpired risks | | 19 | | | | |
| Net operating expenses | Commissions | 21 | | 548 | | 548 |
| | Other acquisition expenses | 22 | | | | |
| | Administrative expenses | 23 | | 759 | | 759 |
| | Reinsurance commissions and profit participations | 24 | | 532 | | 532 |
| | Total (21+22+23-24) | 29 | | 775 | | 775 |
| Adjustments for discounting in respect of the items shown at lines 11 to 18 above | Gross amount | 31 | | | | |
| | Reinsurers' share | 32 | | | | |
| | Claims management costs | 33 | | | | |
| | Total (31-32+33) | 39 | | | | |
| Split of line 29 | Prior financial years | 41 | | | | |
| | This financial year | 42 | | 775 | | 775 |
| Split of line 39 | Incidents occurring prior to this financial year | 51 | | | | |
| | Incidents occurring in this financial year | 52 | | | | |

**General business (accident year accounting) : Analysis of claims, expenses and technical provisions**

Name of company **British Aerospace (Insurance) Limited**

Printed 21st JUN 99 at 15:44

Global business

Financial year ended **31st December 1998**

Accounting class **Miscellaneous and pecuniary loss**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R22 | 999757 | GL | 31 | 12 | 1998 | £000 | 8 |

| | | | Amount brought forward from previous financial year 1 | Amount payable/receivable in this financial year 2 | Amount carried forward to next financial year 3 | Amount attributable to this financial year 4 |
|---|---|---|---|---|---|---|
| Claims incurred in respect of incidents occurring prior to this financial year | Gross amount | 11 | 4698 | 2082 | 207 | (2409) |
| | Reinsurers' share | 12 | 3202 | 1411 | 165 | (1626) |
| | Net (11-12) | 13 | 1496 | 671 | 42 | (783) |
| | Claims management costs | 14 | | | | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | 90 | 350 | 440 |
| | Reinsurers' share | 16 | | 72 | 280 | 352 |
| | Net (15-16) | 17 | | 18 | 70 | 88 |
| | Claims management costs | 18 | | | | |
| Provision for unexpired risks | | 19 | | | | |
| Net operating expenses | Commissions | 21 | | 267 | | 267 |
| | Other acquisition expenses | 22 | | | | |
| | Administrative expenses | 23 | | 370 | | 370 |
| | Reinsurance commissions and profit participations | 24 | | 266 | | 266 |
| | Total (21+22+23-24) | 29 | | 371 | | 371 |
| Adjustments for discounting in respect of the items shown at lines 11 to 18 above | Gross amount | 31 | | | | |
| | Reinsurers' share | 32 | | | | |
| | Claims management costs | 33 | | | | |
| | Total (31-32+33) | 39 | | | | |
| Split of line 29 | Prior financial years | 41 | | | | |
| | This financial year | 42 | | 371 | | 371 |
| Split of line 39 | Incidents occurring prior to this financial year | 51 | | | | |
| | Incidents occurring in this financial year | 52 | | | | |

**General business (accident year accounting) : Analysis of net claims and premiums**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Accident and health**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R23 | 999757 | GL | 31 | 12 | 1998 | £000 | 1 |

| Accident year ended Month | Year | | Claims paid (net) during the accident year | Claims outstanding (net) as at end of the accident year | Total claims paid (net) since the end of the accident year, but prior to this financial year | Claims paid (net) during this financial year | Claims outstanding carried forward: Reported (net) | Claims outstanding carried forward: Incurred but not reported (net) | Claims outstanding brought forward: Reported (net) | Claims outstanding brought forward: Incurred but not reported (net) | Balance on each accident year (4+5+6-7-8) | Deduction for discounting from claims outstanding carried forward (net) | Earned premiums (net) | Deterioration/ (surplus) of original reserve % | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 12 | 1998 | 11 | | | | 1429 | 232 | | | | 1661 | | 1387 | | 119.8 |
| 12 | 1997 | 12 | 502 | 330 | | 783 | 57 | | 330 | | 510 | | 1372 | 154.5 | 97.8 |
| 12 | 1996 | 13 | 926 | 522 | 509 | | 3 | | 3 | | | | 1328 | (1.9) | 108.3 |
| 12 | 1995 | 14 | 806 | 495 | 561 | | 1 | | 1 | | | | 1286 | 13.5 | 106.4 |
| 12 | 1994 | 15 | 540 | 280 | 71 | | | | | | | | 1143 | (74.6) | 53.5 |
| 12 | 1993 | 16 | | | | | | | | | | | | | |
| 12 | 1992 | 17 | | | 64 | | | | | | | | | | |
| 12 | 1991 | 18 | | | 47 | | | | | | | | | | |
| 12 | 1990 | 19 | | | 14 | | | | | | | | | | |
| 12 | 1989 | 20 | | | 1 | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | 2212 | 293 | | 334 | | 2171 | | | | |

**Form 23**

**General business (accident year accounting) : Analysis of net claims and premiums**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Aviation**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R23 | 999757 | GL | 31 | 12 | 1998 | £000 | 3 |

| Accident year ended Month | Year | | Claims paid (net) during the accident year | Claims outstanding (net) as at end of the accident year | Total claims paid (net) since the end of the accident year, but prior to this financial year | Claims paid (net) during this financial year | Claims outstanding carried forward: Reported (net) | Claims outstanding carried forward: Incurred but not reported (net) | Claims outstanding brought forward: Reported (net) | Claims outstanding brought forward: Incurred but not reported (net) | Balance on each accident year (4+5+6-7-8) | Deduction for discounting from claims outstanding carried forward (net) | Earned premiums (net) | Deterioration/ (surplus) of original reserve % | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 12 | 1998 | 11 | | | | | 100 | | | | 100 | | 567 | | 17.6 |
| 12 | 1997 | 12 | | 561 | | 11 | 1050 | | 561 | | 500 | | 593 | 89.1 | 178.9 |
| 12 | 1996 | 13 | | 98 | 102 | 28 | 85 | | 96 | | 17 | | 673 | 119.4 | 31.9 |
| 12 | 1995 | 14 | | 331 | 281 | | 7 | | 7 | | | | 728 | (13.0) | 39.6 |
| 12 | 1994 | 15 | | 178 | 156 | | | | | | | | 393 | (12.4) | 39.7 |
| 12 | 1993 | 16 | | 15 | 21 | | | | | | | | | 40.0 | |
| 12 | 1992 | 17 | | | | | | | | | | | | | |
| 12 | 1991 | 18 | | | | | | | | | | | | | |
| 12 | 1990 | 19 | | 231 | 388 | | | | | | | | | 68.0 | |
| 12 | 1989 | 20 | | 384 | 239 | | | | | | | | | (37.8) | |
| Prior accident years | | 21 | | | | | | | | | | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | 39 | 1242 | | 664 | | 617 | | | | |

**Form 23**

General business (accident year accounting) : Analysis of net claims and premiums

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Transport**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R23 | 999757 | GL | 31 | 12 | 1998 | £000 | 5 |

| Accident year ended Month | Year | | Claims paid (net) during the accident year | Claims outstanding (net) as at end of the accident year | Total claims paid (net) since the end of the accident year, but prior to this financial year | Claims paid (net) during this financial year | Claims outstanding carried forward: Reported (net) | Claims outstanding carried forward: Incurred but not reported (net) | Claims outstanding brought forward: Reported (net) | Claims outstanding brought forward: Incurred but not reported (net) | Balance on each accident year (4+5+6-7-8) | Deduction for discounting from claims outstanding carried forward (net) | Earned premiums (net) | Deterioration/ (surplus) of original reserve % | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 12 | 1998 | 11 | | | | | 72 | | | | 72 | | 118 | | 61.0 |
| 12 | 1997 | 12 | | 4 | | 7 | 2 | | 4 | | 5 | | 130 | 125.0 | 6.9 |
| 12 | 1996 | 13 | | 1 | | | 3 | | 2 | | 1 | | 163 | 200.0 | 1.8 |
| 12 | 1995 | 14 | | 26 | 8 | | | | | | | | 197 | (69.2) | 4.1 |
| 12 | 1994 | 15 | | | 3 | | | | | | | | 53 | | 5.7 |
| | | 16 | | | | | | | | | | | | | |
| | | 17 | | | | | | | | | | | | | |
| | | 18 | | | | | | | | | | | | | |
| | | 19 | | | | | | | | | | | | | |
| | | 20 | | | | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | 7 | 77 | | 6 | | 78 | | | | |

**General business (accident year accounting) : Analysis of net claims and premiums**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Property**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R23 | 999757 | GL | 31 | 12 | 1998 | £000 | 6 |

| Accident year ended Month | Year | | Claims paid (net) during the accident year | Claims outstanding (net) as at end of the accident year | Total claims paid (net) since the end of the accident year, but prior to this financial year | Claims paid (net) during this financial year | Claims outstanding carried forward: Reported (net) | Claims outstanding carried forward: Incurred but not reported (net) | Claims outstanding brought forward: Reported (net) | Claims outstanding brought forward: Incurred but not reported (net) | Balance on each accident year (4+5+6-7-8) | Deduction for discounting from claims outstanding carried forward (net) | Earned premiums (net) | Deterioration/ (surplus) of original reserve % | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 12 | 1998 | 11 | | | | 83 | 67 | 500 | | | 650 | | 1136 | | 57.2 |
| 12 | 1997 | 12 | 7 | 628 | | 63 | 47 | | 128 | 500 | (518) | | 1144 | (82.5) | 10.2 |
| 12 | 1996 | 13 | 552 | 1854 | 711 | 747 | 26 | | 193 | | 580 | | 1253 | (20.0) | 162.5 |
| 12 | 1995 | 14 | 38 | 1474 | 985 | 240 | 301 | | 509 | | 32 | | 1687 | 3.5 | 92.7 |
| 12 | 1994 | 15 | | 367 | 46 | | 2 | | 3 | | (1) | | 534 | (86.9) | 9.0 |
| 12 | 1993 | 16 | | 150 | | | | | | | | | 350 | (100.0) | |
| 12 | 1992 | 17 | | 551 | 196 | | | | | | | | | (64.4) | |
| 12 | 1991 | 18 | | 644 | 748 | (36) | | | | | (36) | | | 10.6 | |
| 12 | 1990 | 19 | | 1043 | 1076 | | | | | | | | | 3.2 | |
| 12 | 1989 | 20 | | 1388 | 434 | | | | | | | | | (68.7) | |
| Prior accident years | | 21 | | | | | | | | | | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | 1097 | 443 | 500 | 833 | 500 | 707 | | | | |

**Form 23**

General business (accident year accounting) : Analysis of net claims and premiums

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Accounting class **Miscellaneous and pecuniary loss**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units | Accounting class |
|---|---|---|---|---|---|---|---|
| R23 | 999757 | GL | 31 | 12 | 1998 | £000 | 8 |

| Accident year ended Month | Year | | Claims paid (net) during the accident year | Claims outstanding (net) as at end of the accident year | Total claims paid (net) since the end of the accident year, but prior to this financial year | Claims paid (net) during this financial year | Claims outstanding carried forward: Reported (net) | Claims outstanding carried forward: Incurred but not reported (net) | Claims outstanding brought forward: Reported (net) | Claims outstanding brought forward: Incurred but not reported (net) | Balance on each accident year (4+5+6-7-8) | Deduction for discounting from claims outstanding carried forward (net) | Earned premiums (net) | Deterioration/ (surplus) of original reserve % | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 12 | 1998 | 11 | | | | 18 | 70 | | | | 88 | | 530 | | 16.6 |
| 12 | 1997 | 12 | | 38 | | | 40 | | 38 | | 2 | | 544 | 5.3 | 7.4 |
| 12 | 1996 | 13 | 46 | 400 | 762 | 266 | 2 | | 826 | | (558) | | 627 | 157.5 | 171.6 |
| 12 | 1995 | 14 | 10 | 2080 | 347 | 203 | | | 429 | | (226) | | 838 | (73.6) | 66.8 |
| 12 | 1994 | 15 | | | 9 | | | | | | | | 261 | | 3.4 |
| 12 | 1993 | 16 | | | | | | | | | | | 173 | | |
| 12 | 1992 | 17 | | | 242 | | | | | | | | | | |
| 12 | 1991 | 18 | | 1172 | 1385 | 202 | | | 203 | | (1) | | | 35.4 | |
| 12 | 1990 | 19 | | | 58 | | | | | | | | | | |
| 12 | 1989 | 20 | | 425 | 25 | | | | | | | | | (94.1) | |
| Prior accident years | | 21 | | | | | | | | | | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | 689 | 112 | | 1496 | | (695) | | | | |

**Form 30**
**(Sheet 1)**
Printed 21st JUN 99 at 15:44

**General business : Expected income and yield from admissible assets covering discounted provisions**

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R30 | 999757 | GL | 31 | 12 | 1998 | £000 |

| | Country code | | Total admissible assets as shown on Form 13 | Admissible assets hypothecated to cover the provision for outstanding claims being discounted | Expected income from assets included in column 2 | Yield % | Technical provisions | Provision for outstanding claims being discounted: Before deduction for discounting | Provision for outstanding claims being discounted: Deduction for discounting | Unwind in the discount in the next financial year | Rates of interest at which the provision is being discounted: Highest | Lowest | Average rate |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Major currencies | | 11 | | | | | | | | | | | |
| | | 12 | | | | | | | | | | | |
| | | 13 | | | | | | | | | | | |
| | | 14 | | | | | | | | | | | |
| | | 15 | | | | | | | | | | | |
| | | 16 | | | | | | | | | | | |
| | | 17 | | | | | | | | | | | |
| | | 18 | | | | | | | | | | | |
| | | 19 | | | | | | | | | | | |
| | | 20 | | | | | | | | | | | |
| Other currencies | | 21 | | | | | | | | | | | |
| Total | | 29 | | | | | | | | | | | |

**Form 30**
**(Sheet 2)**
Printed 21st JUN 99 at 15:44

**General business : Expected income and yield from admissible assets covering discounted provisions**

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R30 | 999757 | GL | 31 | 12 | 1998 | £000 |

| **Type of asset** | | | Value of admissible assets as shown on Form 13<br>1 | Admissible assets hypothecated to cover the provision for outstanding claims being discounted<br>2 | Expected income from assets included in Column 2<br>3 | Yield %<br>4 |
|---|---|---|---|---|---|---|
| Land and buildings | | 31 | | | | |
| Fixed interest securities | Approved securities | 32 | | | | |
| | Other | 33 | | | | |
| Variable interest and variable yield securities (excluding items shown at line 36) | Approved securities | 34 | | | | |
| | Other | 35 | | | | |
| Equity shares and holdings in collective investment schemes | | 36 | | | | |
| Loans secured by mortgages | | 37 | | | | |
| All other assets | Producing income | 38 | | | | |
| | Not producing income | 39 | | | | |
| Total | | 49 | | | | |

**Additional information on general business : Major treaty reinsurers required by regulation 19 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| Reinsurer details | Connection | Proportional Reinsurance Treaties | Non Proportional Reinsurance Treaties | Debts outstanding included at F13L75 | Deposits received included at F15L31 | Anticipated recoveries | Comments |
|---|---|---|---|---|---|---|---|
| As required by Regulation 19: (Para 1(a)) | (Para 1(b)) | (Para 1(c)(i)) | (Para 1(c)(ii)) | (Para 1(d)) | (Para 1(e)) | (Para 1(f)) | |
| | | £000 | £000 | £000 | £000 | £000 | |
| There are no major treaty reinsurers | | | | | | | |

Returns under Insurance Companies Legislation

Printed 21st JUN 99 at 15:44

**Additional information on general business : Major facultative reinsurers required by regulation 20 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| Reinsurer details | Connection | Reinsurance premiums payable | Debts outstanding included at F13L75 | Deposits received included at F15L31 | Anticipated recoveries | Comments |
|---|---|---|---|---|---|---|
| As required by Regulation 20: (Para 1(a)) | (Para 1(b)) | (Para 1(c)) | (Para 1(d)) | (Para 1(e)) | (Para 1(f)) | |
| | | £000 | £000 | £000 | £000 | |
| British Aerospace Insurance (Overseas) Limited 44 Athol Street Douglas Isle of Man IM1 1JB | Related Company | 6159 | | | 1365 | |
| Guardian royal Exchange ( UK) Limited 66 King William Street London EC4 7BU UK | None | 408 | | | 68 | |
| Pool Re Ltd 51 gresham Street London EC2V 7HQ UK | None | 943 | | | | |
| Lloyds of London Lloyds Building London UK | None | 281 | | | | |
| Swiss Re (UK) Ltd. London UK | None | 270 | | | | |

**Information on general business : Reinsurance cedants required by regulation 21 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| Cedant details<br>As required by Regulation 21: (Para 1(a)) | Connection<br>(Para 1(b)) | Premiums receivable<br>(Para 1(c))<br>£000 | Deposits made included at F13L57<br>(Para 1(d))<br>£000 | Debts outstanding included at F13L74<br>(Para 1(e))<br>£000 | Comments |
|---|---|---|---|---|---|
| There are no major business cedants | | | | | |

**General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**

Printed 21st JUN 99 at 15:44

| | | | |
|---|---|---|---|
| Name of company | **British Aerospace (Insurance) Limited** | Accounting class | **Accident and health** |
| Global business | | Currency | **Sterling** |
| Financial year ended | **31st December 1998** | | |
| Risk group | **Medical** | | |

| | Company registration number | GL/UK/CM | Period ended day | month | year | Monetary units | Country | Accounting class |
|---|---|---|---|---|---|---|---|---|
| R31 | 999757 | GL | 31 | 12 | 1998 | 000 | AA | 1 |

| Accident year ended Month | Year | | Number of claims: Closed at some cost during this or previous financial years | Number of claims: Reported claims outstanding | Gross claims paid: In previous financial years | Gross claims paid: In this financial year | Gross claims outstanding carried forward: Reported | Gross claims outstanding carried forward: Incurred but not reported | Gross claims outstanding brought forward: Reported | Gross claims outstanding brought forward: Incurred but not reported | Balance for each accident year (4+5+6-7-8) | Gross earned premiums | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 1998 | 11 | 1 | | | 375 | | | | | 375 | 58 | 646.6 |
| 12 | 1997 | 12 | | | | | | | | | | 26 | |
| 12 | 1996 | 13 | | | | | | | | | | | |
| 12 | 1995 | 14 | 175 | | 306 | | | | | | | 360 | 85.0 |
| 12 | 1994 | 15 | 200 | | 360 | | | | | | | 479 | 75.2 |
| 12 | 1993 | 16 | | | | | | | | | | | |
| 12 | 1992 | 17 | 3 | | 22 | | | | | | | | |
| 12 | 1991 | 18 | 26 | | 32 | | | | | | | | |
| 12 | 1990 | 19 | 16 | | 32 | | | | | | | | |
| | | 20 | | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | | | 375 | | | | | 375 | | |
| Line 29 expressed in sterling | | 30 | | | | 375 | | | | | 375 | | |

**Form 31**

**General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Accounting class **Accident and health**

Global business

Currency **Sterling**

Financial year ended **31st December 1998**

Risk group **Medical Overseas**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Monetary units | Country | Accounting class |
|---|---|---|---|---|---|---|---|---|
| R31 | 999757 | GL | 31 | 12 | 1998 | 000 | AA | 1 |

| Accident year ended Month | Year | | Number of claims: Closed at some cost during this or previous financial years | Number of claims: Reported claims outstanding | Gross claims paid: In previous financial years | Gross claims paid: In this financial year | Gross claims outstanding carried forward: Reported | Gross claims outstanding carried forward: Incurred but not reported | Gross claims outstanding brought forward: Reported | Gross claims outstanding brought forward: Incurred but not reported | Balance for each accident year (4+5+6-7-8) | Gross earned premiums | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 1998 | 11 | 11 | 9 | | 13 | 12 | | | | 25 | 60 | 41.7 |
| 12 | 1997 | 12 | 28 | 2 | 2 | 4 | 2 | | 17 | | (11) | 70 | 11.4 |
| 12 | 1996 | 13 | 24 | 6 | 9 | | 3 | | 3 | | | 70 | 17.1 |
| 12 | 1995 | 14 | 22 | 8 | 13 | | 1 | | 1 | | | 70 | 20.0 |
| 12 | 1994 | 15 | | | | | | | | | | 6 | |
| | | 16 | | | | | | | | | | | |
| | | 17 | | | | | | | | | | | |
| | | 18 | | | | | | | | | | | |
| | | 19 | | | | | | | | | | | |
| | | 20 | | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | 25 | | 17 | 18 | | 21 | | 14 | | |
| Line 29 expressed in sterling | | 30 | | | | 17 | 18 | | 21 | | 14 | | |

**General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Accounting class **Accident and health**

Global business

Currency **Sterling**

Financial year ended **31st December 1998**

Risk group **Loss of Licence**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Monetary units | Country | Accounting class |
|---|---|---|---|---|---|---|---|---|
| R31 | 999757 | GL | 31 | 12 | 1998 | 000 | AA | 1 |

| Accident year ended Month | Year | | Number of claims: Closed at some cost during this or previous financial years | Number of claims: Reported claims outstanding | Gross claims paid: In previous financial years | Gross claims paid: In this financial year | Gross claims outstanding carried forward: Reported | Gross claims outstanding carried forward: Incurred but not reported | Gross claims outstanding brought forward: Reported | Gross claims outstanding brought forward: Incurred but not reported | Balance for each accident year (4+5+6-7-8) | Gross earned premiums | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 1998 | 11 | 4 | 3 | | 1041 | 220 | | | | 1261 | 1304 | 96.7 |
| 12 | 1997 | 12 | 8 | 4 | 500 | 779 | 55 | | 313 | | 521 | 1295 | 103.0 |
| 12 | 1996 | 13 | 9 | | 1446 | | | | | | | 1280 | 113.0 |
| 12 | 1995 | 14 | 9 | | 1048 | | | | | | | 847 | 123.7 |
| 12 | 1994 | 15 | 2 | | 251 | | | | | | | 700 | 35.9 |
| 12 | 1993 | 16 | | | | | | | | | | | |
| 12 | 1992 | 17 | 1 | | 64 | | | | | | | | |
| 12 | 1991 | 18 | 6 | | 224 | | | | | | | | |
| | | 19 | | | | | | | | | | | |
| | | 20 | | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | 7 | | 1820 | 275 | | 313 | | 1782 | | |
| Line 29 expressed in sterling | | 30 | | | | 1820 | 275 | | 313 | | 1782 | | |

**General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**

Printed 21st JUN 99 at 15:44

| | | | |
|---|---|---|---|
| Name of company | **British Aerospace (Insurance) Limited** | Accounting class | **Aviation** |
| Global business | | Currency | **Sterling** |
| Financial year ended | **31st December 1998** | | |
| Risk group | **Aircraft** | | |

| | Company registration number | GL/UK/CM | Period ended day | month | year | Monetary units | Country | Accounting class |
|---|---|---|---|---|---|---|---|---|
| R31 | 999757 | GL | 31 | 12 | 1998 | 000 | AA | 3 |

| Accident year ended Month | Year | | Number of claims: Closed at some cost during this or previous financial years | Number of claims: Reported claims outstanding | Gross claims paid: In previous financial years | Gross claims paid: In this financial year | Gross claims outstanding carried forward: Reported | Gross claims outstanding carried forward: Incurred but not reported | Gross claims outstanding brought forward: Reported | Gross claims outstanding brought forward: Incurred but not reported | Balance for each accident year (4+5+6-7-8) | Gross earned premiums | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 1998 | 11 | | 2 | | | 100 | | | | 100 | 734 | 13.6 |
| 12 | 1997 | 12 | 2 | 3 | | 11 | 1050 | | 561 | | 500 | 785 | 135.2 |
| 12 | 1996 | 13 | 3 | 5 | 102 | 32 | 85 | | 96 | | 21 | 941 | 23.3 |
| 12 | 1995 | 14 | 5 | 3 | 323 | | 7 | | 7 | | | 1410 | 23.4 |
| 12 | 1994 | 15 | 2 | | 156 | | | | | | | 693 | 22.5 |
| 12 | 1993 | 16 | 1 | | 21 | | | | | | | | |
| 12 | 1992 | 17 | | | | | | | | | | | |
| 12 | 1991 | 18 | | | | | | | | | | | |
| 12 | 1990 | 19 | 16 | 1 | 577 | | 3 | | 100 | | (97) | | |
| 12 | 1989 | 20 | 15 | | 303 | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | 14 | | 43 | 1245 | | 764 | | 524 | | |
| Line 29 expressed in sterling | | 30 | | | | 43 | 1245 | | 764 | | 524 | | |

**Form 31**

**General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**

Printed 21st JUN 99 at 15:44

| | | | |
|---|---|---|---|
| Name of company | **British Aerospace (Insurance) Limited** | Accounting class | **Transport** |
| Global business | | Currency | **Sterling** |
| Financial year ended | **31st December 1998** | | |
| Risk group | **Marine Transit** | | |

| | Company registration number | GL/UK/CM | Period ended day | month | year | Monetary units | Country | Accounting class |
|---|---|---|---|---|---|---|---|---|
| R31 | 999757 | GL | 31 | 12 | 1998 | 000 | AA | 5 |

| Accident year ended Month | Year | | Number of claims: Closed at some cost during this or previous financial years | Number of claims: Reported claims outstanding | Gross claims paid: In previous financial years | Gross claims paid: In this financial year | Gross claims outstanding carried forward: Reported | Gross claims outstanding carried forward: Incurred but not reported | Gross claims outstanding brought forward: Reported | Gross claims outstanding brought forward: Incurred but not reported | Balance for each accident year (4+5+6-7-8) | Gross earned premiums | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 1998 | 11 | | 3 | | | 360 | | | | 360 | 591 | 60.9 |
| 12 | 1997 | 12 | 1 | 1 | | 35 | 9 | | 22 | | 22 | 649 | 6.8 |
| 12 | 1996 | 13 | 1 | 1 | | | 12 | | 10 | | 2 | 649 | 1.8 |
| 12 | 1995 | 14 | 4 | | 12 | | | | | | | 424 | 2.8 |
| 12 | 1994 | 15 | 2 | | 6 | | | | | | | 88 | 6.8 |
| | | 16 | | | | | | | | | | | |
| | | 17 | | | | | | | | | | | |
| | | 18 | | | | | | | | | | | |
| | | 19 | | | | | | | | | | | |
| | | 20 | | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | 5 | | 35 | 381 | | 32 | | 384 | | |
| Line 29 expressed in sterling | | 30 | | | | 35 | 381 | | 32 | | 384 | | |

General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance

Printed 21st JUN 99 at 15:44

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

Risk group **Household Comprehensive**

Accounting class **Property**

Currency **Sterling**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Monetary units | Country | Accounting class |
|---|---|---|---|---|---|---|---|---|
| R31 | 999757 | GL | 31 | 12 | 1998 | 000 | AA | 6 |

| Accident year ended Month | Year | | Number of claims: Closed at some cost during this or previous financial years | Number of claims: Reported claims outstanding | Gross claims paid: In previous financial years | Gross claims paid: In this financial year | Gross claims outstanding carried forward: Reported | Gross claims outstanding carried forward: Incurred but not reported | Gross claims outstanding brought forward: Reported | Gross claims outstanding brought forward: Incurred but not reported | Balance for each accident year (4+5+6-7-8) | Gross earned premiums | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 1998 | 11 | 31 | 16 | | 16 | 22 | | | | 38 | 144 | 26.4 |
| 12 | 1997 | 12 | 33 | 9 | 7 | 14 | 4 | | 11 | | 7 | 125 | 20.0 |
| 12 | 1995 | 13 | | | | | | | | | | | |
| 12 | 1994 | 14 | | | | | | | | | | | |
| 12 | 1993 | 15 | | | | | | | | | | | |
| 12 | 1992 | 16 | 38 | | 36 | | | | | | | | |
| 12 | 1991 | 17 | 86 | | 725 | | | | | | | | |
| 12 | 1990 | 18 | 63 | | 83 | | | | | | | | |
| 12 | 1989 | 19 | 112 | | 48 | | | | | | | | |
| | | 20 | | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | 25 | | 30 | 26 | | 11 | | 45 | | |
| Line 29 expressed in sterling | | 30 | | | | 30 | 26 | | 11 | | 45 | | |

**Form 31**

**General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**

Printed 21st JUN 99 at 15:45

| | | | |
|---|---|---|---|
| Name of company | **British Aerospace (Insurance) Limited** | Accounting class | **Property** |
| Global business | | Currency | **Sterling** |
| Financial year ended | **31st December 1998** | | |
| Risk group | **All Risks Photographic** | | |

| | Company registration number | GL/UK/CM | Period ended day | month | year | Monetary units | Country | Accounting class |
|---|---|---|---|---|---|---|---|---|
| R31 | 999757 | GL | 31 | 12 | 1998 | 000 | AA | 6 |

| Accident year ended | | | Number of claims | | Gross claims paid | | Gross claims outstanding carried forward | | Gross claims outstanding brought forward | | Balance for each accident year (4+5+6-7-8) | Gross earned premiums | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Closed at some cost during this or previous financial years | Reported claims outstanding | In previous financial years | In this financial year | Reported | Incurred but not reported | Reported | Incurred but not reported | | | |
| Month | Year | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 1998 | 11 | | | | | | | | | | | |
| 12 | 1997 | 12 | | | | | | | | | | | |
| 12 | 1995 | 13 | | | | | | | | | | | |
| 12 | 1994 | 14 | | | | | | | | | | | |
| 12 | 1993 | 15 | | | | | | | | | | | |
| 12 | 1992 | 16 | 5 | | 30 | | | | | | | | |
| 12 | 1991 | 17 | 4 | | 1 | | | | | | | | |
| 12 | 1990 | 18 | 4 | | 5 | | | | | | | | |
| | | 19 | | | | | | | | | | | |
| | | 20 | | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | | | | | | | | | | |
| Line 29 expressed in sterling | | 30 | | | | | | | | | | | |

General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance

Printed 21st JUN 99 at 15:45

Name of company **British Aerospace (Insurance) Limited**

Accounting class **Property**

Global business

Currency **Sterling**

Financial year ended **31st December 1998**

Risk group **Property Damage**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Monetary units | Country | Accounting class |
|---|---|---|---|---|---|---|---|---|
| R31 | 999757 | GL | 31 | 12 | 1998 | 000 | AA | 6 |

| Accident year ended Month | Year | | Number of claims: Closed at some cost during this or previous financial years | Number of claims: Reported claims outstanding | Gross claims paid: In previous financial years | Gross claims paid: In this financial year | Gross claims outstanding carried forward: Reported | Gross claims outstanding carried forward: Incurred but not reported | Gross claims outstanding brought forward: Reported | Gross claims outstanding brought forward: Incurred but not reported | Balance for each accident year (4+5+6-7-8) | Gross earned premiums | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 1998 | 11 | 1 | 5 | | 337 | 226 | 500 | | | 1063 | 5910 | 18.0 |
| 12 | 1997 | 12 | 5 | 7 | | 247 | 214 | | 585 | 500 | (624) | 6062 | 7.6 |
| 12 | 1996 | 13 | 8 | 6 | 5935 | 2988 | 104 | | 771 | | 2321 | 5670 | 159.2 |
| 12 | 1995 | 14 | 23 | 11 | 2044 | 455 | 552 | | 1187 | | (180) | 3902 | 78.2 |
| 12 | 1994 | 15 | 6 | 1 | 77 | | 4 | | 5 | | (1) | 1271 | 6.4 |
| 12 | 1993 | 16 | | | | | | | | | | | |
| 12 | 1992 | 17 | 25 | | 646 | | | | | | | | |
| 12 | 1991 | 18 | 39 | | 1372 | | | | | | | | |
| 12 | 1990 | 19 | 35 | | 1311 | | | | | | | | |
| 12 | 1989 | 20 | 22 | | 570 | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | 30 | | 4027 | 1100 | 500 | 2548 | 500 | 2579 | | |
| Line 29 expressed in sterling | | 30 | | | | 4027 | 1100 | 500 | 2548 | 500 | 2579 | | |

**General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**

Printed 21st JUN 99 at 15:46

Name of company **British Aerospace (Insurance) Limited**

Accounting class **Miscellaneous and pecuniary loss**

Global business

Currency **Sterling**

Financial year ended **31st December 1998**

Risk group **Consequential Loss**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Monetary units | Country | Accounting class |
|---|---|---|---|---|---|---|---|---|
| R31 | 999757 | GL | 31 | 12 | 1998 | 000 | AA | 8 |

| Accident year ended Month | Year | | Number of claims: Closed at some cost during this or previous financial years | Number of claims: Reported claims outstanding | Gross claims paid: In previous financial years | Gross claims paid: In this financial year | Gross claims outstanding carried forward: Reported | Gross claims outstanding carried forward: Incurred but not reported | Gross claims outstanding brought forward: Reported | Gross claims outstanding brought forward: Incurred but not reported | Balance for each accident year (4+5+6-7-8) | Gross earned premiums | Claims ratio % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 1998 | 11 | 1 | 1 | | 90 | 350 | | | | 440 | 2955 | 14.9 |
| 12 | 1997 | 12 | | 1 | | | 200 | | 190 | | 10 | 3031 | 6.6 |
| 12 | 1996 | 13 | 1 | 2 | 3236 | 1066 | 7 | | 3305 | | (2232) | 2835 | 152.0 |
| 12 | 1995 | 14 | 8 | | 659 | 814 | | | 1000 | | (186) | 1947 | 75.7 |
| 12 | 1994 | 15 | 1 | | 15 | | | | | | | 627 | 2.4 |
| 12 | 1993 | 16 | | | | | | | | | | | |
| 12 | 1992 | 17 | 6 | | 369 | | | | | | | | |
| 12 | 1991 | 18 | 8 | | 1332 | 202 | | | 203 | | (1) | | |
| 12 | 1990 | 19 | 9 | | 640 | | | | | | | | |
| 12 | 1989 | 20 | 2 | | 26 | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | 4 | | 2172 | 557 | | 4698 | | (1969) | | |
| Line 29 expressed in sterling | | 30 | | | | 2172 | 557 | | 4698 | | (1969) | | |

**Equalisation provisions**

Printed 21st JUN 99 at 15:47

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R37 | 999757 | GL | 31 | 12 | 1998 | £000 |

| | | Business group A (property) | Business group B (business interruption) | Business group C (marine and aviation) | Business group D (nuclear) | Business group E (non-proportional treaty) | All business groups | Credit insurance business |
|---|---|---|---|---|---|---|---|---|
| **Calculation of the maximum provision** | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Total net premiums written in the previous 4 years | 11 | 1249 | 606 | 939 | | | | |
| Net premiums written in the current year | 12 | 1136 | 530 | 661 | | | | |
| Maximum provision | 13 | 159 | 75 | 213 | | | 447 | |
| **Calculation of the transfer to/from the provision** | | | | | | | | |
| Equalisation provision brought forward | 21 | | | | | | 24 | |
| Transfers in | 22 | 34 | 16 | 40 | | | 90 | |
| Total abnormal loss | 23 | | | 78 | | | | |
| Provisional transfers out | 24 | | | 79 | | | 79 | |
| Excess of provisional transfer out over fund available | 25 | | | | | | | |
| Provisional amount carried forward (21+22-24+25) | 26 | | | | | | 35 | |
| Excess, if any, of 26 over 13 | 27 | | | | | | | |
| Equalisation provision carried forward (26-27) | 28 | | | | | | 35 | |
| Transfer in/(out) for financial year (28-21) | 29 | | | | | | 11 | |

**Form 38**

**Equalisation provisions technical account : Accident year accounting**

Printed 21st JUN 99 at 15:47

Name of company **British Aerospace (Insurance) Limited**

Global business

Financial year ended **31st December 1998**

| | Company registration number | GL/UK/CM | Period ended day | month | year | Units |
|---|---|---|---|---|---|---|
| R38 | 999757 | GL | 31 | 12 | 1998 | £000 |

| Other than credit business | | Business group A (property) | Business group B (business interruption) | Business group C (marine and aviation) | Business group D (nuclear) | Business group E (non-proportional treaty) |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| Net premiums earned | 11 | 1136 | 530 | 567 | | |
| Claims incurred net of reinsurance | 12 | 707 | | 617 | | |
| Trigger claims value | 13 | 824 | 384 | 539 | | |
| Abnormal loss | 19 | | | 78 | | |
| Trigger claims ratio | | 72.5% | 72.5% | 95% | 25% | 100% |

**Credit business**

| | | |
|---|---|---|
| Net premiums earned | 21 | |
| Claims incurred net of reinsurance | 22 | |
| Claims management costs | 23 | |
| Net operating expenditure | 24 | |
| Technical surplus/(deficit) (21-22-23-24) | 29 | |

Returns under Insurance Companies Legislation

**Certificate required by Regulation 23 of the Insurance Companies (Accounts and Statements) Regulations 1996.**

**British Aerospace (Insurance) Limited**

**Financial year ended 31st December 1998**

**Statement of Additional Information on Derivative and Quasi Derivative Contracts.**

The Company's Investment Policy does not permit investment in derivatives.

Returns under Insurance Companies Legislation

**Certificate required by Regulation 24 of the Insurance Companies (Accounts and Statements) Regulations 1996.**

**British Aerospace (Insurance) Limited**

**Financial year ended 31st December 1998**

**Statement of Shareholder Controllers**

Shareholder Controllers during the course of the year

British Aerospace plc

The holding of Shareholder Controllers at the end of the year

| | |
|---|---|
| British Aerospace plc | 100% |

Returns under Insurance Companies Legislation

**Certificate required by Regulation 26 (Schedule 5) of the Insurance Companies (Accounts and Statements) Regulations 1996.**

**British Aerospace (Insurance) Limited**

**Financial year ended 31st December 1998**

**Overview of Reinsurance Protections.**

All business written in Risk Groups 5 and 8 is subject to a 80% quota share reinsurance protection purchased from British Aerospace Insurance (Overseas) Limited (75%), a related company, and Guardian plc (5%). In addition the significant exposures in Risk Group 6 are subject to the same reinsurance protection.

The period of cover is identical to the inwards insurance.

The maximum exposure of British Aerospace Insurance Limited ("BAIL") during 1998 was £50 million (each and every loss) and £70 million in the aggregate (gross) and thus the maximum probable loss (net of reinsurance) was £10 million (each and every loss), £14 million in the aggregate.

All claims are expected to be paid in full.

Returns under Insurance Companies Legislation

**British Aerospace (Insurance) Limited**

**Financial year ended 31st December 1998**

**Notes to the Return**

**0901** The Treasury on application of the Company, issued to the Company in December 1998 an Order under Section 68 of the Insurance Companies Act 1982 allowing the Company to disapply the admissibility limits in respect of deposits held with Chartered Trust Plc, Bank of Nova Scotia, Abbey National Bank Plc, 3I Group Plc, Nationwide Building Society, Capital Bank Plc and Lazard Brothers & Co Limited up to a maximum limit of £5,000,000 per institution.

**1001** Reconciliation to Companies Act Accounts

| | 1998 | 1997 |
|---|---|---|
| F.13.L.99 | 28046 | 30362 |
| F.15.L.59 | 11259 | 14567 |
| Capital and Reserves per Statutory Accounts | 16787 | 15795 |

**1305** The investment policy of the Company is to invest in time deposits only.

**1306** All the time deposits of the company exceed 5 % of the general business amount and thus a full list of investments is attached.

**1501** No provisions for adverse charges has been made. The directors believe that the company has sufficient assets to meet all expected liabilities.

**1502** (a) There is no charge over assets of the company.
(b) There is no potential capital gains tax liability.
(c) There are no contingent liabilities.
(d) There are no guarantees, indemnities or other contractual commitments effected other than in the ordinary course of insurance business.

**1700** Form omitted because all entries would be blank.

**2002** All business is accounted for on an accident year basis and all business is UK business.

**2003** No new contracts of insurance have been effected during the year in Authorisation Classes 4 and 18. The date on which such policies were last written is 1993 or earlier.

**2102** Unearned premiums are calculated on the 365th basis because the number of policies is small and this accurate method can be used.

**2202** Claims management expenses and all overheads are included within Net Operating Expenses. No claims management expenses are carried forward as the number of claims is small and expenses are not considered material.

**2204** There are no acquisition expenses other than commissions which have been earned on an identical basis to the premium.

**BRITISH AEROSPACE (INSURANCE) LIMITED**

Fixed deposit information as at 31st December 1998

| | Bank | Placed | Maturity | Rate | Principal |
|---|---|---|---|---|---|
| 1 | Lloyds Bank plc | 08/19/98 | 02/19/99 | 7.6250% | 2,000,000 |
| 2 | Lazard Brothers | 08/28/98 | 02/26/99 | 7.4375% | 3,000,000 |
| 3 | Capital Bank plc | 09/25/98 | 03/25/99 | 7.1563% | 4,000,000 |
| 4 | Capital Bank plc | 11/30/98 | 06/01/99 | 6.5625% | 3,000,000 |
| 5 | Capital Bank plc | 12/11/98 | 06/11/99 | 6.0313% | 3,000,000 |
| 6 | Capital Bank plc | 12/17/98 | 06/17/99 | 5.9063% | 4,000,000 |
| 7 | Capital Bank plc | 12/18/98 | 06/16/99 | 5.9688% | 3,500,000 |
| 8 | Chartered Trust | 12/16/98 | 06/16/99 | 5.9063% | 1,000,000 |
| | | | | | 23,500,000 |

14.06.1999

Returns under Insurance Companies Legislation

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

**British Aerospace (Insurance) Limited**

**Financial year ended 31st December 1998.**

We certify:-

1. (a) in relation to the part of the return comprising Forms 9 to 13, 15, 16, 20 to 23, 31, 37, 38 and the statements required by regulations 19 to 21, 23, 24 and 26 of the Insurance Companies (Accounts and Statements) Regulations 1996 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) that reasonable enquiries have been made by the Company for the purpose of determining whether any person and any body corporate are connected for the purposes of regulations 19, 20 and 21;

   (c) that 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 enabled the company to comply with regulations 27 to 31 (matching and localisation) of those Regulations.

2. that the margin of solvency required by section 32 of the Insurance Companies Act 1982 has been maintained throughout the financial year.

3. (a) that the systems of control established and maintained by the Company in respect of its business complied, at the end of the financial year, and it is reasonable to believe that those systems continued to so comply subsequently and will continue to so comply in future, with the following published guidance:

   (i) 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';

   (ii) Prudential Guidance Note 1996/1 - 'Controls over general business claims provisions' ; and

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

(i) Prudential Guidance Note 1995/1 – 'Guidance for insurance companies and auditors on the Valuation of Assets Regulations (Part VII of the Insurance Companies Regulations 1994)';

(ii) Prudential Guidance Note 1995/3 – 'The use of derivatives in insurance funds'; and

(iii) Prudential Guidance Note 1998/1 – 'The preparation of annual returns to the Directorate of HM Treasury'.

J.H. Meyrick-Jones ........................................ Mr J H Meyrick-Jones Chairman

........................................ Mr M J Pratt Managing Director

........................................ Mrs E M N Thody Secretary

Returns under Insurance Companies Legislation

**Reports of the auditors to the Directors pursuant to Regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996.**

**British Aerospace (Insurance) Limited**
**Global Business**
**Financial year ended 31st December 1998.**

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 to 13, 15 to 17, 20 to 23, 31, 37 and 38 (including the supplementary notes thereto) ('the Forms');

the statements required by Regulations 19, 20, 21 and 23, on pages 34 to 36 and 48 ('the statements'); and

the certificate signed in accordance with Regulation 28a on pages 52 and 53 ('the certificate')

In the case of the certificate, our examination did not extend to Paragraph 1 in relation to the statements required by regulations 24 and 26, concerning the shareholder controllers and general business ceded.

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

The company is responsible for the preparation of and annual return (including the Forms, statement and certificate) under the provisions of the Act and the Regulations. 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 statements 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 opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 1998/3; 'Auditors' reports on regulatory returns made under the Insurance Companies Act 1982' 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 statements. The evidence included that previously obtained by us relating to the audit of the financial statement of the company for the financial year on which we reported on 13 February 1998. It also includes 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 audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the forms and statements are free from material misstatement, whether caused by fraud or other irregularity or error and comply with regulation 5.

**Opinion**

In our opinion:

(a) the Forms and statements fairly state the information provided on the basis required by the Regulations and have been properly prepared in accordance with the provision 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 person giving the certificate to have made the statements therein.

KPMG Audit Plc

**KPMG Audit Plc**
Registered Auditor
29 June 1999

8 Salisbury Square
London
EC4Y 8BB