British Aerospace (Insurance) Limited

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Annual FSA Insurance Returns for the year ended 31st December 1999

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 16th JUN 00 at 15:16

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

Global business

Financial year ended **31st December 1999**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R9	999757	GL	31	12	1999	£000

		As at the end of this financial year 1	As at the end of the previous year 2	Source Form	Line	Column
GENERAL BUSINESS **Available assets**						
Other than long term business assets allocated towards general business required minimum margin	11	17404	3027	See instructions 1 and 2		
Required minimum margin						
Required minimum margin for general business	12	1113	1574	12	49	
Excess (deficiency) of available assets over the required minimum margin (11-12)	13	16291	1453			
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		

Covering sheet to Form 9

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

Global business

Financial year ended **31st December 1999**

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

.... **H J Turner** **Director**

.... **D S Parkes** **Secretary**

Farnborough, June 2000

Statement of net assets

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R10	999757	GL	31	12	1999	£000

			As at the end of this financial year 1	As at the end of the previous year 2	Source Form	Line	Column
Long term business - admissible assets		11			13	89	1
Long term business - liabilities and margins		12			14	59	1
Other than Long term business - admissible assets		21	31039	14286	13	89	1
Other than Long term business - liabilities		22	13635	11259	15	69	1
Net admissible assets (21-22)		23	17404	3027			
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	17404	3027			
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	11704	(2673)			
Total (51 to 56) and equal to line 29 above		59	17404	3027			
Movement of balance of net assets for solvency purposes - as per line 56							
Balance brought forward at the beginning of the financial year		61	(2673)	7405	10	56	2
Retained profit/(loss) for the financial year		62	617	992	16	59	1
Movement in asset valuation differences		63	13760	(11070)	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	11704	(2673)			

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R11	999757	GL	31	12	1999	£000

				This financial year 1	Previous year 2
Gross premiums receivable			11	10723	11884
Premium taxes and levies (included in line 11)			12		
Sub-total A (11-12)			13	10723	11884
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	1151	1270
		Excess (if any) over 10M ECU x 16/100	16	693	772
	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	1844	2042
Claims paid			21	6247	8519
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	6940	4102
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	4102	8887
Sub-total C (21+22+23-(24+25))			29	9085	3734
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			30	6316	856
Sub-total D (29-30)			39	2769	2878
First result Sub-total B x Sub-total D / Sub-total C (or, if ½ is a greater fraction, x ½)			41	922	1574

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 1999**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R12	999757	GL	31	12	1999	£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	24444	23370			
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	6940	4102			
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	4102	8065			
Sub-total E (21+22+23-(24+25))			29	27282	19407			
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)			31	9094	6469			
Division of Sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100	32	1164	1284			
		Excess (if any) over 7M ECU x 23/100	33	1062	352			
	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	2226	1636			
Second result	Sub-total G x Sub-total D / Sub-total C (or, if ½ is a greater fraction, x ½)		41	1113	1261			
First result			42	922	1574	11	.	41
Required margin of solvency (the higher of lines 41 and 42)			43	1113	1574			
Minimum guarantee fund			44	192	212			
Required minimum margin (the higher of lines 43 and 44)			49	1113	1574			

Returns under Insurance Companies Legislation

Form 13
(Sheet 1)

Analysis of admissible assets

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

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	1999	£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)

Analysis of admissible assets

Printed 16th JUN 00 at 15:17

Name of company	**British Aerospace (Insurance) Limited**
Global business	
Financial year ended	**31st December 1999**
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	1999	£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		
			Other	46		
		Variable interest	Approved securities	47		
			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	4500	
		Withdrawal subject to a time restriction of more than one month		55	19162	9902
	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	88	85
		Claims outstanding		61	3808	1435
		Provision for unexpired risks		62		
		Other		63		
Total sheet 2 (41 to 63)				69	27558	11422

Returns under Insurance Companies Legislation

Form 13 (Sheet 3)

Printed 16th JUN 00 at 15:17

Analysis of admissible assets

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

Global business

Financial year ended **31st December 1999**

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	1999	£000	3

Debtors Other assets				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	382	228
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	525	173
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	1	76
		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	2201	2101
	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	343	255
	Deferred acquisition costs		85	29	31
	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	3481	2864
Grand total of admissible assets (39+69+88)			89	31039	14286

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

Total admissible assets (as per line 89 above)	91	31039	14286
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
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	31039	28046

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

 Form 15

Liabilities (other than long term business)

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R15	999757	GL	31	12	1999	£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	324	337
	Claims outstanding		12	6940	4102
	Provision for unexpired risks		13		
	Equalisation provisions	Credit business	14		
		Other than credit business	15		35
	Other		16		
	Total (11 to 16)		19	7264	4474
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
		Reinsurance accepted	42		
		Reinsurance ceded	43	197	92
	Debenture loans	Secured	44		
		Unsecured	45		
	Amounts owed to credit institutions		46		
	Other creditors	Taxation	47		
		Recommended dividend	48		
		Other	49	6100	6490
Accruals and deferred income			51	74	3
Total (19 to 51)			59	13635	11259
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	13635	11259
Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance			71	5750	6064

Returns under Insurance Companies Legislation **Form 16**

Profit and loss account (non-technical account) Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R16	999757	GL	31	12	1999	£000

			This financial year 1	Previous year 2	Source Form	Line	Column
Transfer (to)/from the general business technical account	From Form 20	11	(804)	(813)	20	59	
	Equalisation provisions	12	35	(11)			
Transfer from the long term business revenue account		13			40	26	
Investment income	Income	14	1386	1816			
	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	617	992			
Tax on profit or loss on ordinary activities		31					
Profit or loss on ordinary activities after tax (29-31)		39	617	992			
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	617	992			
Dividends (paid and proposed)		51					
Profit or loss retained for the financial year (49-51)		59	617	992			

Returns under Insurance Companies Legislation

Form 20

General business : Technical account (excluding equalisation provisions)

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Accounting class **Summary**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class/ summary
R20	999757	GL	31	12	1999	£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	3560	3738	21	19	5
	Claims incurred	12	3392	2571	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	1595	1657	22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(1427)	(490)			
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	(623)	307	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	22	41	4
	Balance (21-22-23+24+25-26)	29	623	(323)			
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	(804)	(813)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(804)	(813)			

Returns under Insurance Companies Legislation **Form 20**

General business : Technical account (excluding equalisation provisions) Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

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	1999	£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	1370	1387	21	19	5
	Claims incurred	12	871	1661	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	290	276	22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	209	(550)			
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	173	510	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	(173)	(510)			
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	36	(1060)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	36	(1060)			

Returns under Insurance Companies Legislation **Form 20**

General business : Technical account (excluding equalisation provisions) Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Accounting class **Aviation**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class/ summary
R20	999757	GL	31	12	1999	£000	3

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	540	567	21	19	5
	Claims incurred	12	400	100	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	157	141	22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(17)	326			
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	(41)	517	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	22	41	4
	Balance (21-22-23+24+25-26)	29	41	(533)			
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	24	(207)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	24	(207)			

General business : Technical account (excluding equalisation provisions)

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Accounting class **Transport**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class/ summary
R20	999757	GL	31	12	1999	£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	150	118	21	19	5
	Claims incurred	12	17	72	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	101	94	22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	32	(48)			
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	40	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	(40)	(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	(8)	(54)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(8)	(54)			

General business : Technical account (excluding equalisation provisions)

Printed 16th JUN 00 at 15:17

Name of company	**British Aerospace (Insurance) Limited**
Global business	
Financial year ended	**31st December 1999**
Accounting class	**Property**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class/ summary
R20	999757	GL	31	12	1999	£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	1019	1136	21	19	5
	Claims incurred	12	2002	650	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	708	775	22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(1691)	(289)			
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	(698)	57	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	698	(57)			
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	(993)	(346)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(993)	(346)			

General business : Technical account (excluding equalisation provisions)

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

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	1999	£000	8

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	481	530	21 . 19 . 5
	Claims incurred	12	102	88	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	339	371	22 . 42 . 4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	40	71	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21 . 11 . 5
	Claims incurred	22	(97)	(783)	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	97	783	
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	137	854	
Allocated investment return		51			
Transfer to non-technical account (49+51)		59	137	854	

Form 21

General business (accident year accounting) : Analysis of premiums

Printed 16th JUN 00 at 15:17

Name of company	**British Aerospace (Insurance) Limited**
Global business	
Financial year ended	**31st December 1999**
Accounting class	**Accident and health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R21	999757	GL	31	12	1999	£000	1

			Gross premiums written		Reinsurers' share		Net of reinsurance	
Premiums receivable during the financial year			Earned in previous financial years 1		Earned in previous financial years 3		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	1389	38	35	19	1354	19
	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	32		16		16	
Total (12 to 16)		19	1421	38	51	19	1370	19

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

Name of company	**British Aerospace (Insurance) Limited**
Global business	
Financial year ended	**31st December 1999**
Accounting class	**Aviation**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R21	999757	GL	31	12	1999	£000	3

			Gross premiums written		Reinsurers' share		Net of reinsurance	
Premiums receivable during the financial year			Earned in previous financial years 1		Earned in previous financial years 3		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	401	286	97	69	304	217
	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	305		69		236	
Total (12 to 16)		19	706	286	166	69	540	217

Form 21

Printed 16th JUN 00 at 15:17

General business (accident year accounting) : Analysis of premiums

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

Global business

Financial year ended **31st December 1999**

Accounting class **Transport**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R21	999757	GL	31	12	1999	£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	669		519		150	
	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	669		519		150	

Form 21

General business (accident year accounting) : Analysis of premiums

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Accounting class **Property**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R21	999757	GL	31	12	1999	£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						
	For periods of 12 months	14	5335		4316		1019	
	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	5335		4316		1019	

Printed 16th JUN 00 at 15:17

General business (accident year accounting) : Analysis of premiums

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

Global business

Financial year ended **31st December 1999**

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	1999	£000	8

Premiums receivable during the financial year			Gross premiums written		Reinsurers' share		Net of reinsurance	
			Earned in previous financial years 1		Earned in previous financial years 3		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	2605		2124		481	
	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	2605		2124		481	

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

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

Printed 16th JUN 00 at 15:17

Global business

Financial year ended **31st December 1999**

Accounting class **Accident and health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R22	999757	GL	31	12	1999	£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	293	252	214	173
	Reinsurers' share	12				
	Net (11-12)	13	293	252	214	173
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		913	208	1121
	Reinsurers' share	16		250		250
	Net (15-16)	17		663	208	871
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21		101		101
	Other acquisition expenses	22				
	Administrative expenses	23		189		189
	Reinsurance commissions and profit participations	24				
	Total (21+22+23-24)	29		290		290
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		290		290
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 16th JUN 00 at 15:17

Global business

Financial year ended **31st December 1999**

Accounting class **Aviation**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R22	999757	GL	31	12	1999	£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	1245	585	619	(41)
	Reinsurers' share	12	3		3	
	Net (11-12)	13	1242	585	616	(41)
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			400	400
	Reinsurers' share	16				
	Net (15-16)	17			400	400
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21	31	69	29	71
	Other acquisition expenses	22				
	Administrative expenses	23		94		94
	Reinsurance commissions and profit participations	24	4	8	4	8
	Total (21+22+23-24)	29	27	155	25	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				
	This financial year	42	27	155	25	157
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 16th JUN 00 at 15:17

Global business

Financial year ended **31st December 1999**

Accounting class **Transport**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R22	999757	GL	31	12	1999	£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	381	339	241	199
	Reinsurers' share	12	304	271	192	159
	Net (11-12)	13	77	68	49	40
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		11	76	87
	Reinsurers' share	16		9	61	70
	Net (15-16)	17		2	15	17
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21		66		66
	Other acquisition expenses	22				
	Administrative expenses	23		89		89
	Reinsurance commissions and profit participations	24		54		54
	Total (21+22+23-24)	29		101		101
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		101		101
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 16th JUN 00 at 15:17

Global business

Financial year ended **31st December 1999**

Accounting class **Property**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R22	999757	GL	31	12	1999	£000	6

			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	1626	282	702	(642)
	Reinsurers' share	12	683	343	396	56
	Net (11-12)	13	943	(61)	306	(698)
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		3486	4270	7756
	Reinsurers' share	16		2766	2988	5754
	Net (15-16)	17		720	1282	2002
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21		502		502
	Other acquisition expenses	22				
	Administrative expenses	23		709		709
	Reinsurance commissions and profit participations	24		503		503
	Total (21+22+23-24)	29		708		708
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		708		708
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 16th JUN 00 at 15:17

Global business

Financial year ended **31st December 1999**

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	1999	£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	557	79		(478)
	Reinsurers' share	12	445	64		(381)
	Net (11-12)	13	112	15		(97)
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		300	210	510
	Reinsurers' share	16		240	168	408
	Net (15-16)	17		60	42	102
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21		245		245
	Other acquisition expenses	22				
	Administrative expenses	23		346		346
	Reinsurance commissions and profit participations	24		252		252
	Total (21+22+23-24)	29		339		339
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		339		339
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 23

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Accounting class **Accident and health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R23	999757	GL	31	12	1999	£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	1999	11				663	208				871		1370		63.6
12	1998	12	1429	232		140	116		232		24		1387	10.3	121.5
12	1997	13	502	330	783	111			57		54		1372	170.9	101.7
12	1996	14	926	522	509	1	98		3		96		1328	16.5	115.5
12	1995	15	806	495	561				1		(1)		1286	13.3	106.3
12	1994	16	540	280	71								1143	(74.6)	53.5
12	1993	17													
12	1992	18		60	64									6.7	
12	1991	19		133	47									(64.7)	
12	1990	20		27	14									(48.1)	
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				915	422		293		1044				

Form 23

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Accounting class **Aviation**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R23	999757	GL	31	12	1999	£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	1999	11					400				400		540		74.1
12	1998	12		100		7	165		100		72		567	72.0	30.3
12	1997	13		561	11	578	360		1050		(112)		593	69.2	160.0
12	1996	14		98	130		84		85		(1)		673	118.4	31.8
12	1995	15		331	281		7		7				728	(13.0)	39.6
12	1994	16		178	156								393	(12.4)	39.7
12	1993	17		15	21									40.0	
12	1992	18													
12	1991	19													
12	1990	20		231	388									68.0	
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				585	1016		1242		359				

Returns under Insurance Companies Legislation

Form 23

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Accounting class **Transport**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R23	999757	GL	31	12	1999	£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	1999	11				2	15				17		150		11.3
12	1998	12		72		66	46		72		40		118	55.6	94.9
12	1997	13		4	7	2			2				130	125.0	6.9
12	1996	14		1			3		3				163	200.0	1.8
12	1995	15		26	8								197	(69.2)	4.1
12	1994	16			3								53		5.7
		17													
		18													
		19													
		20													
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				70	64		77		57				

Form 23

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Accounting class **Property**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R23	999757	GL	31	12	1999	£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	1999	11				720	782	500			2002		1019		196.5
12	1998	12	83	567		38	37		67	500	(492)		1136	(86.8)	13.9
12	1997	13	7	628	63	22	26		47		1		1144	(82.3)	10.3
12	1996	14	552	1854	1458	4	5		26		(17)		1253	(20.9)	161.1
12	1995	15	38	1474	1225	(161)	238		301		(224)		1687	(11.7)	79.4
12	1994	16		367	46				2		(2)		534	(87.5)	8.6
12	1993	17		150									350	(100.0)	
12	1992	18		551	196	36					36			(57.9)	
12	1991	19		644	712									10.6	
12	1990	20		1043	1076									3.2	
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				659	1088	500	443	500	1304				

Returns under Insurance Companies Legislation

Form 23

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

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	1999	£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	1999	11				60	42				102		481		21.2
12	1998	12	18	70					70		(70)		530	(100.0)	3.4
12	1997	13		38		15			40		(25)		544	(60.5)	2.8
12	1996	14	46	400	1028				2		(2)		627	157.0	171.3
12	1995	15	10	2080	550								838	(73.6)	66.8
12	1994	16			9								261		3.4
12	1993	17											173		
12	1992	18			242										
12	1991	19		1172	1587									35.4	
12	1990	20			58										
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				75	42		112		5				

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 1999**

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

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 1999**

Reinsurer details As required by Regulation 20: (Para 1(a))	Connection (Para 1(b))	Reinsurance premiums payable (Para 1(c)) £000	Debts outstanding included at F13L75 (Para 1(d)) £000	Deposits received included at F15L31 (Para 1(e)) £000	Anticipated recoveries (Para 1(f)) £000	Comments
British Aerospace Insurance (Overseas) Limited 44 Athol Street Douglas IM1 1JB Isle of Man	Related Company	5477	383		3378	
AXA (GRE) UK Ltd 66 King William Street London EC4 7BU UK	None	388	72		226	
Munich Re London UK	None	388	70		201	
Pool Re Limited 51 Gresham Street London EC2V 7HQ UK	None	423				
Lloyds of London Lloyds Building UK	None	249			3	
Swiss Re UK Limited London UK	None	256				

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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 1999**

Cedant details As required by Regulation 21: (Para 1(a))	Connection (Para 1(b))	Premiums receivable (Para 1(c)) £000	Deposits made included at F13L57 (Para 1(d)) £000	Debts outstanding included at F13L74 (Para 1(e)) £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 16th JUN 00 at 15:17

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

Accounting class **Accident and health**

Global business

Currency **Sterling**

Financial year ended **31st December 1999**

Risk group **Medical**

	Company registration number	GL/UK/CM	Period ended day	month	year	Monetary units	Country	Accounting class
R31	999757	GL	31	12	1999	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	1999	11	1			500					500	72	694.4
12	1998	12	1		375							58	646.6
12	1997	13										26	
12	1996	14											
12	1995	15	175		306							360	85.0
12	1994	16	200		360							479	75.2
12	1993	17											
12	1992	18	3		22								
12	1991	19	26		32								
12	1990	20	16		32								
Prior accident years		21											
Total (11 to 21)		29				500					500		
Line 29 expressed in sterling		30				500					500		

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Risk group **Medical Overseas**

Accounting class **Accident and health**

Currency **Sterling**

	Company registration number	GL/UK/CM	Period ended day	month	year	Monetary units	Country	Accounting class
R31	999757	GL	31	12	1999	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	1999	11	18	12		10	7				17	59	28.8
12	1998	12	22	4	13	15	1		12		4	60	48.3
12	1997	13	28	1	6				2		(2)	70	8.6
12	1996	14	26	5	9	1	3		3		1	70	18.6
12	1995	15	23		13				1		(1)	70	18.6
12	1994	16										6	
		17											
		18											
		19											
		20											
Prior accident years		21											
Total (11 to 21)		29		22		26	11		18		19		
Line 29 expressed in sterling		30				26	11		18		19		

Form 31

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

Printed 16th JUN 00 at 15:17

Name of company	**British Aerospace (Insurance) Limited**	Accounting class	**Accident and health**
Global business		Currency	**Sterling**
Financial year ended	**31st December 1999**		
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	1999	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	1999	11	2	3		403	201				604	1290	46.8
12	1998	12	5	3	1041	125	115		220		20	1304	98.2
12	1997	13	9	2	1279	111	95		55		151	1295	114.7
12	1996	14	9		1446							1280	113.0
12	1995	15	9		1048							847	123.7
12	1994	16	2		251							700	35.9
12	1993	17											
12	1992	18	1		64								
12	1991	19	6		224								
		20											
Prior accident years		21											
Total (11 to 21)		29		8		639	411		275		775		
Line 29 expressed in sterling		30				639	411		275		775		

Form 31

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

Printed 16th JUN 00 at 15:17

Name of company	**British Aerospace (Insurance) Limited**	Accounting class	**Aviation**
Global business		Currency	**Sterling**
Financial year ended	**31st December 1999**		
Risk group	**Aircraft**		

	Company registration number	GL/UK/CM	Period ended day	month	year	Monetary units	Country	Accounting class
R31	999757	GL	31	12	1999	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	1999	11		2			400				400	706	56.7
12	1998	12		2		7	165		100		72	734	23.4
12	1997	13	4	3	11	578	360		1050		(112)	785	120.9
12	1996	14	4	4	134		84		85		(1)	941	23.2
12	1995	15	5	3	323		7		7			1410	23.4
12	1994	16	2		156							693	22.5
12	1993	17	1		21								
12	1992	18											
12	1991	19											
12	1990	20	16	1	577		3		3				
Prior accident years		21											
Total (11 to 21)		29		15		585	1019		1245		359		
Line 29 expressed in sterling		30				585	1019		1245		359		

Form 31

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

Printed 16th JUN 00 at 15:17

Name of company	**British Aerospace (Insurance) Limited**	Accounting class	**Transport**
Global business		Currency	**Sterling**
Financial year ended	**31st December 1999**		
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	1999	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	1999	11		1		11	76				87	669	13.0
12	1998	12	1	2		329	229		360		198	591	94.4
12	1997	13	2		35	10			9		1	649	6.9
12	1996	14	1	1			12		12			649	1.8
12	1995	15	4		12							424	2.8
12	1994	16	2		6							88	6.8
		17											
		18											
		19											
		20											
Prior accident years		21											
Total (11 to 21)		29		4		350	317		381		286		
Line 29 expressed in sterling		30				350	317		381		286		

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

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	1999	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	1999	11	18	13		29	20				49	125	39.2
12	1998	12	48	8	16	38	4		22		20	144	40.3
12	1997	13	34	6	21		5		4		1	125	20.8
12	1995	14											
12	1994	15											
12	1993	16											
12	1992	17	38		36								
12	1991	18	86		725								
12	1990	19	63		83								
12	1989	20	112		48								
Prior accident years		21											
Total (11 to 21)		29		27		67	29		26		70		
Line 29 expressed in sterling		30				67	29		26		70		

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Risk group **All Risks Photographic**

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	1999	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	1999	11											
12	1998	12											
12	1997	13											
12	1995	14											
12	1994	15											
12	1993	16											
12	1992	17	5		30								
12	1991	18	4		1								
12	1990	19	4		5								
		20											
Prior accident years		21											
Total (11 to 21)		29											
Line 29 expressed in sterling		30											

Form 31

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

Printed 16th JUN 00 at 15:17

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

Accounting class **Property**

Global business

Currency **Sterling**

Financial year ended **31st December 1999**

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	1999	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	1999	11	2	15		3457	3750	500			7707	5210	147.9
12	1998	12	5	3	337	2	166		226	500	(558)	5910	8.5
12	1997	13	8	5	247	111	107		214		4	6062	7.7
12	1996	14	9	4	8923	18	23		104		(63)	5670	158.1
12	1995	15	28	6	2499	78	397		552		(77)	3902	76.2
12	1994	16	6		77				4		(4)	1271	6.1
12	1993	17											
12	1992	18	25		646	35					35		
12	1991	19	39		1372								
12	1990	20	35		1311								
Prior accident years		21											
Total (11 to 21)		29		33		3701	4443	500	1100	500	7044		
Line 29 expressed in sterling		30				3701	4443	500	1100	500	7044		

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

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

Risk group **Consequential Loss**

Accounting class **Miscellaneous and pecuniary loss**

Currency **Sterling**

	Company registration number	GL/UK/CM	Period ended day	month	year	Monetary units	Country	Accounting class
R31	999757	GL	31	12	1999	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	1999	11		2		300	210				510	2605	19.6
12	1998	12	2		90				350		(350)	2955	3.0
12	1997	13	1			77			200		(123)	3031	2.5
12	1996	14	1	1	4302	2			7		(5)	2835	151.8
12	1995	15	8		1473							1947	75.7
12	1994	16	1		15							627	2.4
12	1993	17											
12	1992	18	6		369								
12	1991	19	8		1534								
12	1990	20	9		640								
Prior accident years		21											
Total (11 to 21)		29		3		379	210		557		32		
Line 29 expressed in sterling		30				379	210		557		32		

Equalisation provisions

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

Global business

Financial year ended **31st December 1999**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R37	999757	GL	31	12	1999	£000

Calculation of the maximum provision		Business group A (property) 1	Business group B (business interruption) 2	Business group C (marine and aviation) 3	Business group D (nuclear) 4	Business group E (non-proportional treaty) 5	All business groups 6	Credit insurance business 7
Total net premiums written in the previous 4 years	11	2385	1136	1600				
Net premiums written in the current year	12	1019	481	521				
Maximum provision	13	170	81	212			463	
Calculation of the transfer to/from the provision								
Equalisation provision brought forward	21						35	
Transfers in	22	31	14	31			76	
Total abnormal loss	23	565						
Provisional transfers out	24	111					111	
Excess of provisional transfer out over fund available	25							
Provisional amount carried forward (21+22-24+25)	26							
Excess, if any, of 26 over 13	27							
Equalisation provision carried forward (26-27)	28							
Transfer in/(out) for financial year (28-21)	29						(35)	

Returns under Insurance Companies Legislation

Form 38

Equalisation provisions technical account : Accident year accounting

Printed 16th JUN 00 at 15:17

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

Global business

Financial year ended **31st December 1999**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R38	999757	GL	31	12	1999	£000

Other than credit business		Business group A (property) 1	Business group B (business interruption) 2	Business group C (marine and aviation) 3	Business group D (nuclear) 4	Business group E (non-proportional treaty) 5
Net premiums earned	11	1019	481	540		
Claims incurred net of reinsurance	12	1304	5	359		
Trigger claims value	13	739	349	513		
Abnormal loss	19	565				
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	

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

British Aerospace (Insurance) Limited

Financial year ended 31st December 1999

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 1999

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%

On 5th May 2000 British Aerospace plc changed its name to BAE SYSTEMS plc.

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 1999

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 (70%), a related company, Guardian plc (5%) and Munich Re (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 1999 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 1999

Notes to the Return

0901 The Treasury on application of the Company, issued to the Company on 21st December 1999 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 approved credit institutions up to a maximum limit of £5,000,000 per institution.

1001 Reconciliation to Companies Act Accounts

	1999	1998
F.13.L.99	31039	28046
F.15.L.59	13635	11259
Capital and Reserves per Statutory Accounts	17404	16787

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 12/31/99

	Bank	Placed	Maturity	Rate	Principal
1	Chartered trust plc	06/16/99	01/17/00	5.0313%	4,500,000
2	Northern Rock	08/19/99	02/21/00	5.4500%	2,000,000
3	Lazard Brothers	08/31/99	02/29/00	5.5000%	3,000,000
4	Credit Lyonnais	09/27/99	03/27/00	5.8438%	4,000,000
5	DG Bank	10/06/99	04/06/00	6.0313%	3,000,000
6	Bank of Ireland	12/13/99	06/13/00	6.0313%	3,000,000
7	Bank One	12/17/99	03/17/00	5.9688%	4,000,000
8					
9					
10					
11					
12					
13					
14					
15					
					23,500,000

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 1999.

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	Chairman
______________________	H J Turner	Director
______________________	D S Parkes	Secretary

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 1999

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

Forms 9 to 13, 15 , 16, 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 an annual return (including the Forms, statement and certificate) under the provisions of the Act and the Regulations. The requirements of the Regulations have been modified by an Order issued under Section 68 of the Act on 21st December 1999. 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 statements of the company for the financial year on which we reported on 17th February 2000. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the forms and statements.

We planned and performed our 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, as modified by the order dated 21st December 1999 issued by the Secretary of State, 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
Registered Auditor
June 2000

8 Salisbury Square
London
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