Ac.1242

British Aerospace (Insurance) Limited

Annual Returns to Insurance Directorate HM Treasury for the year ended 31st December 1997

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 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R9	999757	GL	31	12	1997	£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	13105	11700	See instructions 1 and 2		
Required minimum margin						
Required minimum margin for general business	12	1030	711	12	49	
Excess (deficiency) of available assets over the required minimum margin (11-12)	13	12075	10989			
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 9th JUN 98 at 14:27

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

Global business

Financial year ended **31st December 1997**

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

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

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

Farnborough, June 1998

Returns under Insurance Companies Legislation **Form 10**

Statement of net assets Printed 8th JUN 98 at 15:35

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

Global business

Financial year ended **31st December 1997**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R10	999757	GL	31	12	1997	£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	27672	29848	13	89	1
Other than Long term business - liabilities		22	14567	18148	15	69	1
Net admissible assets (21-22)		23	13105	11700			
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	13105	11700			

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	7405	6000	
Total (51 to 56) and equal to line 29 above	59	13105	11700	

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

Balance brought forward at the beginning of the financial year	61	6000	7580	10 . 56 . 2
Retained profit/(loss) for the financial year	62	1227	1288	16 . 59 . 1
Movement in asset valuation differences	63	178	(2868)	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	7405	6000	

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

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R11	999757	GL	31	12	1997	£000

				This financial year 1	Previous year 2
Gross premiums receivable			11	12016	2190
Premium taxes and levies (included in line 11)			12		
Sub-total A (11-12)			13	12016	2190
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	1228	394
		Excess (if any) over 10M ECU x 16/100	16	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	2059	394
Claims paid			21	9678	5173
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	8887	12387
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	12387	8065
Sub-total C (21+22+23-(24+25))			29	6178	9495
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			30	3215	6705
Sub-total D (29-30)			39	2963	2790
First result Sub-total B x $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if ½ is a greater fraction, x ½)			41	1030	197

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 1997**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R12	999757	GL	31	12	1997	£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	16052	8219			
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	8887	12387			
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	1761	4200			
Sub-total E (21+22+23-(24+25))			29	23178	16406			
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)			31	7726	5469			
Division of Sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100	32	1242	1422			
		Excess (if any) over 7M ECU x 23/100	33	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	1920	1422			
Second result Sub-total G x Sub-total D / Sub-total C (or, if ½ is a greater fraction, x ½)			41	960	711			

First result	42	1030	197	11	41
Required margin of solvency (the higher of lines 41 and 42)	43	1030	711		
Minimum guarantee fund	44	205	235		
Required minimum margin (the higher of lines 43 and 44)	49	1030	711		

Returns under Insurance Companies Legislation

Analysis of admissible assets

Form 13
(Sheet 1)
Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

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	1997	£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		

Form 13
(Sheet 2)
Printed 3rd JUN 98 at 17:31

Analysis of admissible assets

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

Global business

Financial year ended **31st December 1997**

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	1997	£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		
		Withdrawal subject to a time restriction of more than one month		55	20972	19234
	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	42	67
		Claims outstanding		61	5054	7272
		Provision for unexpired risks		62		
		Other		63		
Total sheet 2 (41 to 63)				69	26068	26573

Form 13
(Sheet 3)
Printed 3rd JUN 98 at 17:31

Analysis of admissible assets

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

Global business

Financial year ended **31st December 1997**

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	1997	£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	75	1161
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	375	723
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	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	620	1056
	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	410	314
	Deferred acquisition costs		85	18	19
	Other prepayments and accrued income		86		2
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	1604	3275
Grand total of admissible assets (39+69+88)			89	27672	29848

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

Total admissible assets (as per line 89 above)	91	27672	29848
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 admissibilty limits)	92	2690	2868
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	30362	32716

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 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R15	999757	GL	31	12	1997	£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	209	235
	Claims outstanding		12	8887	12387
	Provision for unexpired risks		13		
	Equalisation provisions	Credit business	14		
		Other than credit business	15	24	
	Other		16		
	Total (11 to 16)		19	9120	12622
Provisions for other risks and charges	Taxation		21		
	Other		22		
Deposits received from reinsurers			31		
Creditors	Arising out of insurance operations	Direct business	41	250	220
		Reinsurance accepted	42		
		Reinsurance ceded	43		477
	Debenture loans	Secured	44		
		Unsecured	45		
	Amounts owed to credit institutions		46		
	Other creditors	Taxation	47		103
		Recommended dividend	48		
		Other	49	5195	4724
Accruals and deferred income			51	2	2
Total (19 to 51)			59	14567	18148
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	14567	18148

Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	71	4795	4534

Returns under Insurance Companies Legislation **Form 16**

Profit and loss account (non-technical account) Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R16	999757	GL	31	12	1997	£000

			This financial year 1	Previous year 2	Source Form	Line	Column
Transfer (to)/from the general business technical account	From Form 20	11	(474)	(88)	20	59	
	Equalisation provisions	12	(24)				
Transfer from the long term business revenue account		13			40	26	
Investment income	Income	14	1622	1396			
	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	1124	1308			
Tax on profit or loss on ordinary activities		31	(103)	20			
Profit or loss on ordinary activities after tax (29-31)		39	1227	1288			
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	1227	1288			
Dividends (paid and proposed)		51					
Profit or loss retained for the financial year (49-51)		59	1227	1288			

General business : Technical account (excluding equalisation provisions)

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Summary**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class/ summary
R20	999757	GL	31	12	1997	£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	3783	4164	21 . 19 . 5
	Claims incurred	12	2070	4399	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	1277	1199	22 . 42 . 4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	436	(1434)	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21 . 11 . 5
	Claims incurred	22	893	(1607)	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	17	261	22 . 41 . 4
	Balance (21-22-23+24+25-26)	29	(910)	1346	
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	(474)	(88)	
Allocated investment return		51			
Transfer to non-technical account (49+51)		59	(474)	(88)	

General business : Technical account (excluding equalisation provisions)

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

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	1997	£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	1372	1444	21 . 19 . 5
	Claims incurred	12	832	1448	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	242	160	22 . 42 . 4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	298	(164)	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21 . 11 . 5
	Claims incurred	22	(25)	76	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		68	22 . 41 . 4
	Balance (21-22-23+24+25-26)	29	25	(144)	
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	323	(308)	
Allocated investment return		51			
Transfer to non-technical account (49+51)		59	323	(308)	

General business : Technical account (excluding equalisation provisions)

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Aviation**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class/ summary
R20	999757	GL	31	12	1997	£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	593	673	21 . 19 . 5
	Claims incurred	12	561	98	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	137	113	22 . 42 . 4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(105)	462	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21 . 11 . 5
	Claims incurred	22	(26)	85	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	17	52	22 . 41 . 4
	Balance (21-22-23+24+25-26)	29	9	(137)	
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	(96)	325	
Allocated investment return		51			
Transfer to non-technical account (49+51)		59	(96)	325	

General business : Technical account (excluding equalisation provisions)

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Transport**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class/ summary
R20	999757	GL	31	12	1997	£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	130	163	21 . 19 . 5
	Claims incurred	12	4	1	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	81	67	22 . 42 . 4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	45	95	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21 . 11 . 5
	Claims incurred	22		(20)	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		11	22 . 41 . 4
	Balance (21-22-23+24+25-26)	29		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	45	104	
Allocated investment return		51			
Transfer to non-technical account (49+51)		59	45	104	

Returns under Insurance Companies Legislation **Form 20**

General business : Technical account (excluding equalisation provisions)

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Property**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class/ summary
R20	999757	GL	31	12	1997	£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	1144	1257	21	19	5
	Claims incurred	12	635	2406	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	549	573	22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(40)	(1722)			
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	(245)	(622)	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		88	22	41	4
	Balance (21-22-23+24+25-26)	29	245	534			
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	205	(1188)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	205	(1188)			

Returns under Insurance Companies Legislation **Form 20**

General business : Technical account (excluding equalisation provisions) Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

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	1997	£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	544	627	21 . 19 . 5
	Claims incurred	12	38	446	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	268	286	22 . 42 . 4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	238	(105)	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21 . 11 . 5
	Claims incurred	22	1189	(1126)	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		42	22 . 41 . 4
	Balance (21-22-23+24+25-26)	29	(1189)	1084	
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	(951)	979	
Allocated investment return		51			
Transfer to non-technical account (49+51)		59	(951)	979	

General business (accident year accounting) : Analysis of premiums

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Accident and health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R21	999757	GL	31	12	1997	£000	1

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	1391	26	19		1372	26
	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	1391	26	19		1372	26

Form 21

General business (accident year accounting) : Analysis of premiums

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Aviation**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R21	999757	GL	31	12	1997	£000	3

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	549	183	125	42	424	141
	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	236		67		169	
Total (12 to 16)		19	785	183	192	42	593	141

General business (accident year accounting) : Analysis of premiums

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Transport**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R21	999757	GL	31	12	1997	£000	5

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	649		519		130	
	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	649		519		130	

General business (accident year accounting) : Analysis of premiums

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Property**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R21	999757	GL	31	12	1997	£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	6187		5043		1144	
	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	6187		5043		1144	

General business (accident year accounting) : Analysis of premiums

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

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	1997	£000	8

			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	3031		2487		544	
	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	3031		2487		544	

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

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

Printed 3rd JUN 98 at 17:31

Global business

Financial year ended **31st December 1997**

Accounting class **Accident and health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R22	999757	GL	31	12	1997	£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	573	570	4	1
	Reinsurers' share	12		26		26
	Net (11-12)	13	573	544	4	(25)
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		502	330	832
	Reinsurers' share	16				
	Net (15-16)	17		502	330	832
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21		90		90
	Other acquisition expenses	22				
	Administrative expenses	23		156		156
	Reinsurance commissions and profit participations	24		4		4
	Total (21+22+23-24)	29		242		242
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		242		242
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 3rd JUN 98 at 17:31

Global business

Financial year ended **31st December 1997**

Accounting class **Aviation**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R22	999757	GL	31	12	1997	£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	405	104	203	(98)
	Reinsurers' share	12	214	42	100	(72)
	Net (11-12)	13	191	62	103	(26)
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			561	561
	Reinsurers' share	16				
	Net (15-16)	17			561	561
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21	19	73	18	74
	Other acquisition expenses	22				
	Administrative expenses	23		88		88
	Reinsurance commissions and profit participations	24	2	8	2	8
	Total (21+22+23-24)	29	17	153	16	154
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	17			17
	This financial year	42		153	16	137
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 3rd JUN 98 at 17:31

Global business

Financial year ended **31st December 1997**

Accounting class **Transport**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R22	999757	GL	31	12	1997	£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	17	11	10	4
	Reinsurers' share	12	8	4	8	4
	Net (11-12)	13	9	7	2	
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			22	22
	Reinsurers' share	16			18	18
	Net (15-16)	17			4	4
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21		49		49
	Other acquisition expenses	22				
	Administrative expenses	23		73		73
	Reinsurance commissions and profit participations	24		41		41
	Total (21+22+23-24)	29		81		81
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		81		81
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 3rd JUN 98 at 17:31

Global business

Financial year ended **31st December 1997**

Accounting class **Property**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R22	999757	GL	31	12	1997	£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	7566	4909	1963	(694)
	Reinsurers' share	12	4788	3081	1258	(449)
	Net (11-12)	13	2778	1828	705	(245)
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		7	1096	1103
	Reinsurers' share	16			468	468
	Net (15-16)	17		7	628	635
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21		405		405
	Other acquisition expenses	22				
	Administrative expenses	23		695		695
	Reinsurance commissions and profit participations	24		551		551
	Total (21+22+23-24)	29		549		549
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		549		549
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 3rd JUN 98 at 17:31

Global business

Financial year ended **31st December 1997**

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	1997	£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	3826	3575	4508	4257
	Reinsurers' share	12	2262	2280	3050	3068
	Net (11-12)	13	1564	1295	1458	1189
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			190	190
	Reinsurers' share	16			152	152
	Net (15-16)	17			38	38
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21		203		203
	Other acquisition expenses	22				
	Administrative expenses	23		341		341
	Reinsurance commissions and profit participations	24		276		276
	Total (21+22+23-24)	29		268		268
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		268		268
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 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Accident and health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R23	999757	GL	31	12	1997	£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	1997	11				502	330				832		1372		60.6
12	1996	12	926	522		509	3		522		(10)		1328	(1.9)	108.3
12	1995	13	806	495	520	41	1		51		(9)		1286	13.5	106.4
12	1994	14	540	280	71								1143	(74.6)	53.5
12	1993	15											175		
12	1992	16		60	64									6.7	
12	1991	17		133	53	(6)					(6)			(64.7)	
12	1990	18		27	14									(48.1)	
12	1989	19		11	1									(90.9)	
12	1988	20		13	6									(53.8)	
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				1046	334		573		807				

Form 23

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

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Aviation**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R23	999757	GL	31	12	1997	£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	1997	11					561				561		593		94.6
12	1996	12		98		102	96		98		100		673	102.0	29.4
12	1995	13		331	321	(40)	7		93		(126)		728	(13.0)	39.6
12	1994	14		178	156								393	(12.4)	39.7
12	1993	15		15	21								71	40.0	29.6
12	1992	16													
12	1991	17													
12	1990	18		231	388									68.0	
12	1989	19		384	239									(37.8)	
12	1988	20		78	40									(48.7)	
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				62	664		191		535				

Form 23

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

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Transport**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R23	999757	GL	31	12	1997	£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	1997	11					4				4		130		3.1
12	1996	12		1			2		1		1		163	100.0	1.2
12	1995	13		26	1	7			8		(1)		197	(69.2)	4.1
12	1994	14			3								53		5.7
		15													
		16													
		17													
		18													
		19													
		20													
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				7	6		9		4				

Form 23

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

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Accounting class **Property**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Accounting class
R23	999757	GL	31	12	1997	£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	1997	11				7	128	500			635		1144		55.5
12	1996	12	552	1854		711	193		1354	500	(950)		1253	(51.2)	116.2
12	1995	13	38	1474	308	677	509		908		278		1687	1.4	90.8
12	1994	14		367	42	4	3		14		(7)		534	(86.6)	9.2
12	1993	15		150									350	(100.0)	
12	1992	16		551	196				2		(2)			(64.4)	
12	1991	17		644	312	436					436			16.1	
12	1990	18		1043	1076									3.2	
12	1989	19		1388	434									(68.7)	
12	1988	20		1499	1723									14.9	
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				1835	833	500	2278	500	390				

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

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

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	1997	£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	1997	11					38				38		544		7.0
12	1996	12	46	400		762	826		400		1188		627	297.0	260.6
12	1995	13	10	2080	35	312	429		1114		(373)		838	(62.7)	93.8
12	1994	14			9								261		3.4
12	1993	15											173		
12	1992	16		1031	242									(76.5)	
12	1991	17		1172	1164	221	203		50		374			35.5	
12	1990	18			58										
12	1989	19		425	25									(94.1)	
12	1988	20		390										(100.0)	
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				1295	1496		1564		1227				

Printed 3rd JUN 98 at 17:31

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 1997**

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
British Aerospace Insurance (Overseas) Limited 44 Athol Street Douglas IM1 1JB Isle of Man	Related Company	6567		375		4914	
Guardian Royal Exchange (UK) Ltd 66 King William Street London EC4 7BU UK	None	438				40	

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 1997**

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
Pool Re 51 Gresham Street London EC2V 7HQ UK	None	882				
Lloyds of London Lloyds Building UK	None	254				
Swiss Re (UK) Ltd London UK	None	93				

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 1997**

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 3rd JUN 98 at 17:31

Name of company	**British Aerospace (Insurance) Limited**	Accounting class	**Accident and health**
Global business		Currency	**Sterling**
Financial year ended	**31st December 1997**		
Risk group	**Medical**		

	Company registration number	GL/UK/CM	Period ended day	month	year	Monetary units	Country	Accounting class
R31	999757	GL	31	12	1997	000	AA	1

Accident year ended Month	Year		Number of claims: Closed at some cost during this or previous financial years	Reported claims outstanding	Gross claims paid: In previous financial years	In this financial year	Gross claims outstanding carried forward: Reported	Incurred but not reported	Gross claims outstanding brought forward: Reported	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	1997	11										26	
12	1996	12											
12	1995	13	175		306							360	85.0
12	1994	14	200		360							479	75.2
12	1993	15											
12	1992	16	3		22								
12	1991	17	26		32								
12	1990	18	16		32								
		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 3rd JUN 98 at 17:31

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

Accounting class **Accident and health**

Global business

Currency **Sterling**

Financial year ended **31st December 1997**

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	1997	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	1997	11	11	16		2	17				19	70	27.1
12	1996	12	21	7	1	8	3		3		8	70	17.1
12	1995	13	22	8	11	2	1		6		(3)	70	20.0
12	1994	14										6	
		15											
		16											
		17											
		18											
		19											
		20											
Prior accident years		21											
Total (11 to 21)		29		31		12	21		9		24		
Line 29 expressed in sterling		30				12	21		9		24		

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

Printed 3rd JUN 98 at 17:31

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

Global business

Financial year ended **31st December 1997**

Risk group **Loss of Licence**

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	1997	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	1997	11	3	8		500	313				813	1295	62.8
12	1996	12	9	4	925	521			519		2	1280	113.0
12	1995	13	9		1009	39			45		(6)	847	123.7
12	1994	14	2		251							700	35.9
12	1993	15											
12	1992	16	1		64								
12	1991	17	6		224								
		18											
		19											
		20											
Prior accident years		21											
Total (11 to 21)		29		12		1060	313		564		809		
Line 29 expressed in sterling		30				1060	313		564		809		

Form 31

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

Printed 3rd JUN 98 at 17:32

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

Accounting class **Aviation**

Global business

Currency **Sterling**

Financial year ended **31st December 1997**

Risk group **Aircraft**

	Company registration number	GL/UK/CM	Period ended day	month	year	Monetary units	Country	Accounting class
R31	999757	GL	31	12	1997	000	AA	3

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 %
Month	Year		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			
			1	2	3	4	5	6	7	8	9	10	11
12	1997	11		3			561				561	785	71.5
12	1996	12	3	5		102	96		98		100	941	21.0
12	1995	13	5	3	321	2	7		207		(198)	1410	23.4
12	1994	14	2		156							693	22.5
12	1993	15	1		21								
12	1992	16											
12	1991	17											
12	1990	18	16	1	577		100		100				
12	1989	19	15		303								
12	1988	20	5		37								
Prior accident years		21											
Total (11 to 21)		29		12		104	764		405		463		
Line 29 expressed in sterling		30				104	764		405		463		

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

Printed 3rd JUN 98 at 17:32

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

Accounting class **Transport**

Global business

Currency **Sterling**

Financial year ended **31st December 1997**

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	1997	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	1997	11		1			22				22	649	3.4
12	1996	12	1	1			10		3		7	649	1.5
12	1995	13	4		1	11			14		(3)	424	2.8
12	1994	14	2		6							88	6.8
		15											
		16											
		17											
		18											
		19											
		20											
Prior accident years		21											
Total (11 to 21)		29		2		11	32		17		26		
Line 29 expressed in sterling		30				11	32		17		26		

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

Printed 3rd JUN 98 at 17:32

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

Global business

Financial year ended **31st December 1997**

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	1997	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 %
Month	Year		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			
			1	2	3	4	5	6	7	8	9	10	11
12	1997	11	15	20		7	11				18	125	14.4
12	1995	12											
12	1994	13											
12	1993	14											
12	1992	15	38		36								
12	1991	16	86		725								
12	1990	17	63		83								
12	1989	18	112		48								
		19											
		20											
Prior accident years		21											
Total (11 to 21)		29		20		7	11				18		
Line 29 expressed in sterling		30				7	11				18		

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

Printed 3rd JUN 98 at 17:32

Name of company	**British Aerospace (Insurance) Limited**	Accounting class	**Property**
Global business		Currency	**Sterling**
Financial year ended	**31st December 1997**		
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	1997	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 %
Month	Year		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			
			1	2	3	4	5	6	7	8	9	10	11
12	1997	11											
12	1995	12											
12	1994	13											
12	1993	14											
12	1992	15	5		30								
12	1991	16	4		1								
12	1990	17	4		5								
		18											
		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 3rd JUN 98 at 17:32

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

Accounting class **Property**

Global business

Currency **Sterling**

Financial year ended **31st December 1997**

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	1997	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 %
Month	Year		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			
			1	2	3	4	5	6	7	8	9	10	11
12	1997	11		12			585	500			1085	6062	17.9
12	1996	12	2	11	2164	3771	771		5418	500	(1376)	5670	118.3
12	1995	13	23	12	916	1128	1187		1618		697	3902	82.8
12	1994	14	6	1	70	7	5		23		(11)	1271	6.5
12	1993	15											
12	1992	16	25		646				2		(2)		
12	1991	17	39		1369	3			5		(2)		
12	1990	18	35		1311								
12	1989	19	22		570								
12	1988	20	40		1863								
Prior accident years		21											
Total (11 to 21)		29		36		4909	2548	500	7066	500	391		
Line 29 expressed in sterling		30				4909	2548	500	7066	500	391		

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

Printed 3rd JUN 98 at 17:32

Name of company	**British Aerospace (Insurance) Limited**	Accounting class	**Miscellaneous and pecuniary loss**
Global business		Currency	**Sterling**
Financial year ended	**31st December 1997**		
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	1997	000	AA	8

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 %
Month	Year		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			
			1	2	3	4	5	6	7	8	9	10	11
12	1997	11		2			190				190	3031	6.3
12	1996	12		4	186	3050	3305		1601		4754	2835	230.7
12	1995	13	7	1	139	520	1000		2011		(491)	1947	85.2
12	1994	14	1		15							627	2.4
12	1993	15											
12	1992	16	6		369								
12	1991	17	7	1	1327	5	203		214		(6)		
12	1990	18	9		640								
12	1989	19	2		26								
12	1988	20	30										
Prior accident years		21											
Total (11 to 21)		29		8		3575	4698		3826		4447		
Line 29 expressed in sterling		30				3575	4698		3826		4447		

Form 37

Equalisation provisions

Printed 3rd JUN 98 at 17:32

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

Global business

Financial year ended **31st December 1997**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R37	999757	GL	31	12	1997	£000

Calculation of the maximum provision		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
		1	2	3	4	5	6	7
Total net premiums written in the previous 4 years	11	105	52	374				
Net premiums written in the current year	12	1144	544	565				
Maximum provision	13	125	60	188			373	

Calculation of the transfer to/from the provision

Equalisation provision brought forward	21							
Transfers in	22	34	16	34			84	
Total abnormal loss	23		833					
Provisional transfers out	24		60				60	
Excess of provisional transfer out over fund available	25							
Provisional amount carried forward (21+22-24+25)	26						24	
Excess, if any, of 26 over 13	27							
Equalisation provision carried forward (26-27)	28						24	
Transfer in/(out) for financial year (28-21)	29						24	

Form 38

Equalisation provisions technical account : Accident year accounting

Printed 3rd JUN 98 at 17:32

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

Global business

Financial year ended **31st December 1997**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R38	999757	GL	31	12	1997	£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	1144	544	593		
Claims incurred net of reinsurance	12	390	1227	535		
Trigger claims value	13	829	394	563		
Abnormal loss	19		833			
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 1997

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 1997

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 1997

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 1997 was £50 million (each and every loss) and £65 million in the aggregate (gross) and thus the maximum probable loss (net of reinsurance) was £10 million (each and every loss), £13 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 1997

Notes to the Return

1001 Reconciliation to Companies Act Accounts

	1996	1995
F.13.L.99	30362	32716
F.15.L.59	14567	18148
Capital and Reserves per Statutory Accounts	15795	14568

1101 The total at C1 L29 in the 1996 return was incorrect by 1. This has been corrected in the 1997 return.

1201 The figure at C2 L25 is different from the 1996 return. The correction of this error has affected certain other calculated figures in the 1996 comparatives but has not had any material affect on the reported figures.

1305 The investment policy of the company is to invest in time deposits only. A limit of £2 million per deposit exists, excluding amounts at 'call', and this was not breached during the year.

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.

3000 The Company does not discount its claims provisions and therefore Form 30 has not been prepared.

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 1997.

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
	Ms E M N Thody	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 1997.

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 32 to 34 and 46 ('the statements'); and

the certificate signed in accordance with Regulation 28a on pages 51 and 52 ('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
26 June 1998

8 Salisbury Square
London
EC4Y 8BB