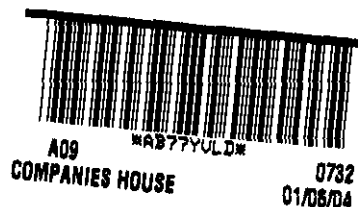


AC1801

x3

RGA REINSURANCE UK LIMITED

Recd 1/4/04.



**Annual FSA Insurance Returns for the year ended
31st December 2003**



(Appendices 1 , 3 , 4 , 6 , 7)

RGa REINSURANCE UK LIMITED

Year ended 31st December 2003

Contents

	Page
Appendix 9.1	
Form 9 Statement of solvency	3
Covering sheet to Form 9	4
Form 9A Analysis of the effect of financial engineering on long-term available assets	5
Form 10 Statement of net assets	6
Form 13 Analysis of admissible assets	7
Form 14 Long term insurance business liabilities and margins	13
Form 15 Liabilities (other than long insurance term business)	14
Form 16 Profit and loss account (non-technical account)	15
Appendix 9.3	
Form 40 Long term insurance business: Revenue account	16
Form 41 Long term insurance business: Analysis of premiums and claims	17
Form 42 Long term insurance business: Analysis of claims	18
Appendix 9.4	
Valuation report on RGA Reinsurance UK Limited	19
Notes to Appendix 9.4	27
Form 46 Long term insurance business: Summary of changes in long term business	28
Form 47 Long term insurance business: Analysis of new ordinary long term business	30
Form 48 Long term insurance business: Expected income from admissible assets not held to match liabilities in respect of linked benefits	33
Form 49 Long term insurance business: Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefits	34
Form 51 Long term insurance business: Valuation summary of non-linked contracts (other than accumulating with-profits policies)	35
Form 57 Long term insurance business: Matching rectangle	40
Form 58 Long term insurance business: Valuation result and distribution of surplus	43
Form 60 Required minimum margin	44
Notes to the return	45
Statement of additional information on derivative contracts	49
Statement of additional information on controllers	50
Statement of additional information on appointed actuary	51
Appendix 9.6	
Certificate by the Directors	52
Certificate by the Appointed Actuary	55
Certificate by the Auditors	56

Statement of solvency

Name of insurer **RGa REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**

R9	Company registration number 3552908	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2003	
		As at the end of this financial year	As at the end of the previous year		Source	
		1	2		Form	Line
						Column

GENERAL INSURANCE BUSINESS

Available assets

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

Required minimum margin

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

LONG TERM INSURANCE BUSINESS

Available assets

Long term insurance business admissible assets	21	31445	15971	10 . 11
Other than long term insurance business assets allocated towards long term insurance business required minimum margin	22	18995	14649	See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23	17954	9241	See instruction 4
Other insurance and non-insurance liabilities	24	2421	1940	See instruction 5
Available assets for long term insurance business required minimum margin (21+22-23-24)	25	30065	19439	

Implicit items admitted under Rule 2.10(5) as modified

Future profits	31			
Zillmerising	32			
Hidden reserves	33			

Total of available assets and implicit items (25+31+32+33)	34	30065	19439	
--	----	-------	-------	--

Required minimum margin

Required minimum margin for long term insurance business	41	5003	2918	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	834	506	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	29231	18933	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	25062	16521	

CONTINGENT LIABILITIES

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


Covering sheet to Form 9

Printed 29th MAR 04 at 19:00

Name of insurer **RGA REINSURANCE UK LIMITED**

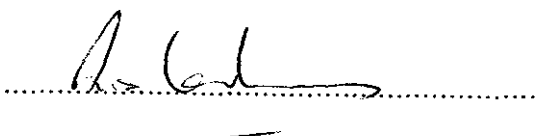
Global business

Financial year ended **31st December 2003**



Perry Thomas

Managing Director



Roger Corley

Director



Ralph Sepel

Director

RGA Reinsurance UK Limited office, 29.03.04

Analysis of the effect of financial engineering on long-term available assets

Printed 29th MAR 04 at 19:00

Name of insurer **RGa REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**

Financial year ended 31st December 2003

		Company registration number	GL/UK/CM	Period ended			Units	
		R9A	3552908	GL	31	12	2003	£000
		As at the end of this financial year		As at the end of the previous year		Source		
		1		2				
Required minimum margin for long term insurance business	11	5003		2918		See instruction 2		
Excess (deficiency) of available assets and implicit items over the required minimum margin	12	25062		16521		See instruction 3		
Total available assets and implicit items (11+12)	13	30065		19439				
Analysed as follows:								
Value of implicit items	14					See instruction 5		
Financial reinsurance- ceded	15					See instruction 6		
Financial reinsurance- accepted	16					See instruction 7		
Outstanding contingent loans	17					See instruction 8		
Any other charges on future profits	18					See instruction 9		
Sum of financial engineering adjustments (14+15-16+17+18)	19							
Other assets (13-19)	20	30065		19439				
Total available assets and implicit items (19+20)	21	30065		19439				

Statement of net assets

Printed 29th MAR 04 at 19:00

Name of insurer **RGa REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

		R10	3552908	GL	31	12	2003	£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 insurance business - admissible assets		11	31445	15971		13	89	1
Long term insurance business - liabilities and margins		12	31445	15971		14	59	1

Other than Long term insurance business - admissible assets	21	19069		14703		13	89	1
Other than Long term insurance business - liabilities	22	74		54		15	69	1
Net admissible assets (21-22)	23	18995		14649				
Other assets allowed to be taken into account in covering the required minimum margin	24							
	25							
Liabilities allowed to be left out of account in covering the required minimum margin	26							
	27							
Available assets (23 to 27)	29	18995		14649				

Represented by:

Paid up share capital (other than cumulative preference share capital)	51	51670		31670				
Amounts included in lines 24 to 27 above	52							
Amounts representing the balance of net assets	56	(32675)		(17021)				
Total (51 to 56) and equal to line 29 above	59	18995		14649				

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

Balance brought forward at the beginning of the financial year	61	(17021)		(15742)		10	56	2
Retained profit/(loss) for the financial year	62	(15654)		(1601)		16	59	1
Movement in asset valuation differences	63			322		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	(32675)		(17021)				

Analysis of admissible assets

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**Category of assets **Total other than long-term insurance business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	3552908	GL	31	12	2003	£000	1
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 business 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 insurer has a participating interest				30				
Total sheet 1 (11 to 30)						39				

Analysis of admissible assets

Name of insurer **RGU REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**Category of assets **Total other than long-term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3552908	GL	31	12	2003	£000	1
Investments (continued)					As at the end of this financial year 1			As at the end of the previous year 2	
Deposits with ceding undertakings									
Assets held to cover linked liabilities									
Other financial investments	Equity shares			41					
	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	18086			13689	
			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	275			300	
		Withdrawal subject to a time restriction of more than one month		55					
	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						
	Claims outstanding		61						
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)			69	18361			13989		

Analysis of admissible assets

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**Category of assets **Total other than long-term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3552908	GL	31	12	2003	£000	1
Debtors					As at the end of this financial year 1			As at the end of the previous year 2	
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72					
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					
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	25			23	
		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	415			542	
	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	268			149	
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	708			714	
Grand total of admissible assets (39+69+88)				89	19069			14703	
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets (as per line 89 above)				91	19069			14703	
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)				92					
Solvency margin deduction for subsidiary undertakings which are insurance undertakings				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 insurance accounts rules)				95					
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99	19069			14703	
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100					

Analysis of admissible assets

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**

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

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3552908	GL	31	12	2003	£000	10
Investments					As at the end of this financial year 1		As at the end of the previous year 2		
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance business 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 insurer has a participating interest			30						
Total sheet 1 (11 to 30)					39				

Analysis of admissible assets

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**Category of assets **Total long-term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3552908	GL	31	12	2003	£000	10
					day	month	year		

Analysis of admissible assets

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**Category of assets **Total long-term insurance business assets**

Category of assets		Company registration number		GL/UK/CM	Period ended			Units	Category of assets
					day	month	year		
		R13	3552908	GL	31	12	2003	£000	10
Debtors					As at the end of this financial year 1			As at the end of the previous year 2	
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74	932				950
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
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					
		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	923				1003
	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	479				137
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	2334				2090
Grand total of admissible assets (39+69+88)				89	31445				15971
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets (as per line 89 above)				91	31445				15971
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)				92					
Solvency margin deduction for subsidiary undertakings which are insurance undertakings				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 insurance accounts rules)				95					
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99	31445				15971
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100					

Long term insurance business liabilities and margins

Printed 29th MAR 04 at 19:00

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**Category of assets **Total long-term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R14	3552908	GL	31	12	2003	£000	10
				As at the end of this financial year 1	As at the end of the previous year 2		Source		
Mathematical reserves, after distribution of surplus		11	17954	9241	See instruction 2				
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12			See instruction 3				
Balance of surplus/(valuation deficit)		13	11070	4790	See instruction 4				
Long term insurance business fund carried forward (11 to 13)		14	29024	14031	See instruction 5				
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	2494	1206					
	Reinsurers' share	16	2054	1083					
	Net (15-16)	17	440	123					
Provisions for other risks and charges	Taxation	21							
	Other	22							
Deposits received from reinsurers		23							
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31						
		Reinsurance accepted	32	212					
		Reinsurance ceded	33	1901	1305				
	Debenture loans	Secured	34						
		Unsecured	35						
	Amounts owed to credit institutions		36						
	Other creditors	Taxation	37						
		Other	38	94					
Accruals and deferred income		39	80	206					
Provision for adverse changes (calculated in accordance with rule 5.3)		41							
Total other insurance and non-insurance liabilities (17 to 41)		49	2421	1940					
Excess of the value of net admissible assets		51			See instruction 6				
Total liabilities and margins		59	31445	15971					
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61							
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62							
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63			See instruction 7				

Liabilities (other than long term insurance business)

Printed 29th MAR 04 at 19:00

Name of insurer **RG A REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	3552908	GL	31	12	2003	£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					
	Claims outstanding		12					
	Provision for unexpired risks		13					
	Equalisation provisions	Credit business	14					
		Other than credit business	15					
	Other		16					
	Total (11 to 16)		19					
Provisions for other risks and charges	Taxation		21					
	Other		22					
Deposits received from reinsurers			31					
Creditors	Arising out of insurance operations	Direct insurance business	41					
		Reinsurance accepted	42					
		Reinsurance ceded	43					
	Debenture loans	Secured	44					
		Unsecured	45					
	Amounts owed to credit institutions		46					
	Other creditors	Taxation	47					
		Recommended dividend	48					
		Other	49	10				
Accruals and deferred income			51	64		54		
Total (19 to 51)			59	74		54		
Provision for adverse changes (calculated in accordance with rule 5.3) [Regulation 61 of the Insurance Companies Regulations 1994]			61					
Cumulative preference share capital			62					
Subordinated loan capital			63					
Total (59 to 63)			69	74		54		
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance			71					

Profit and loss account (non-technical account)Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

R16	3552908	GL	31	12	2003	£000
-----	---------	----	----	----	------	------

			This financial year	Previous year	Source		
			1	2	Form	Line	Column
Transfer (to)/from the general insurance business technical account	From Form 20	11			20 . 59		
	Equalisation provisions	12					
Transfer from the long term insurance business revenue account		13	(16000)	(2500)	40 . 26		
Investment income	Income	14	1235	726			
	Value re-adjustments on investments	15		291			
	Gains on the realisation of investments	16		2			
Investment charges	Investment management charges, including interest	17					
	Value re-adjustments on investments	18	633				
	Loss on the realisation of investments	19	128				
Allocated investment return transferred to the general insurance business technical account		20			20 . 51		
Other income and charges (particulars to be specified by way of supplementary note)		21	(128)	(120)			
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	(15654)	(1601)			
Tax on profit or loss on ordinary activities		31					
Profit or loss on ordinary activities after tax (29-31)		39	(15654)	(1601)			
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	(15654)	(1601)			
Dividends (paid and proposed)		51					
Profit or loss retained for the financial year (49-51)		59	(15654)	(1601)			

Long term insurance business : Revenue account

Printed 29th MAR 04 at 19:00

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary long term business 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
			day	month	year					
	R40	3552908	GL	31	12	2003	£000	OB	1	0
Items to be shown net of reinsurance ceded							The financial year 1	Previous year 2		
Earned premiums							11	2382	1703	
Investment income receivable before deduction of tax							12	1571	853	
Increase (decrease) in the value of non-linked assets brought into account							13	(1131)	32	
Increase (decrease) in the value of linked assets							14			
Other income							15			
Total income (11 to 15)							19	2822	2588	
Claims incurred							21	967	207	
Expenses payable							22	2864	1475	
Interest payable before deduction of tax							23		6	
Taxation							24			
Other expenditure							25			
Transfer to (from) non technical account							26	(16000)	(2500)	
Total expenditure (21 to 26)							29	(12169)	(812)	
Increase (decrease) in fund in financial year (19-29)							39	14991	3400	
Fund brought forward							49	14033	10631	
Fund carried forward (39+49)							59	29024	14031	

Long term insurance business : Analysis of premiums and expenses

Printed 29th MAR 04 at 19:00

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary long term business 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund	
		R41	3552908	GL	31	12	2003	£000	OB	1	0
					Gross		Payable to or recoverable from reinsurers		Net of reinsurance (1-2)		
					1		2		3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium		11							
		Regular premium		12	14646		12330		2316		
	Pension business contracts	Single premium		13							
		Regular premium		14							
	Permanent health contracts	Single premium		15							
		Regular premium		16	132		66		66		
	Other contracts	Single premium		17							
		Regular premium		18							
	Total premiums	Single premium		19							
		Regular premium		29	14778		12396		2382		
Total premiums at lines 19 and 29 attributable to	UK contracts		31	14694		12327		2367			
	Overseas contracts		32	84		69		15			
Expenses payable in the financial year	Commission payable in connection with acquisition of business			41	5080		3993		1087		
	Other commission payable			42							
	Management expenses in connection with acquisition of business			43	976				976		
	Management expenses in connection with maintenance of business			44	801				801		
	Other management expenses			45							
	Total expenses (41 to 45)			49	6857		3993		2864		
	Total expenses at line 49 attributable to	UK contracts		51	6847		3993		2854		
		Overseas contracts		52	10				10		

Long term insurance business : Analysis of claims

Printed 29th MAR 04 at 19:00

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Ordinary long term business 1**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/ Summary	No of part of Fund		
		R42	3552908	GL	31	12	2003	£000	OB	1	0	
Claims incurred in the financial year					Gross		Recoverable from reinsurers		Net of reinsurance (1-2)			
					1		2		3			
Life assurance and annuity contracts	On death	11			1151		981		170			
	By way of lump sums on maturity	12										
	By way of annuity payments	13										
	By way of payments arising from other insured events	14			5075		4282		793			
	On surrender or partial surrender	15										
	Total life assurance and annuity claims (11 to 15)	19			6226		5263		963			
Pension business contracts	On death	21										
	By way of lump sums on vesting	22										
	By way of vested annuity payments	23										
	On surrender or partial surrender	24										
	Total pension business claims (21 to 24)	29										
Permanent health contracts	By way of lump sums	31			9		5		4			
	By way of periodical payments	32										
	Total permanent health claims (31+32)	39			9		5		4			
Other contracts	By way of lump sums	41										
	By way of periodical payments	42										
	Total claims (41+42)	49										
Total claims (19+29+39+49)					59		6235		5268		967	
Total claims at line 59 attributable to	UK contracts	61			6235		5268		967			
	Overseas contracts	62										

RGA Reinsurance UK Limited
APPENDIX 9.4

Valuation report on RGA Reinsurance UK Limited

- 1 The investigation relates to 31 December 2003.
- 2 The date of the previous investigation under rule 9.4 of the Interim Prudential Sourcebook for Insurers ("the Rules") was 31 December 2002.
- 3 The valuation conforms with rule 5.6 of the Rules.
- 4
 - (a) The Company has written no accumulating with-profits contracts.
 - (b) The Company has written no contracts that provide for benefits to be determined on the basis of interest accrued (at a rate to be determined from time to time) in respect of premiums paid.
 - (c) Non-linked contracts are considered to be sufficiently described by the entry in column 1 of Form 51.
- 5 The Company has written no linked contracts.
- 6 (1) The general principles and methods adopted in the valuation were:

Term assurance, accelerated critical illness and standalone critical illness business has been valued at the policy level using the gross premium reserving method.

 - (a) Not applicable, as no derivative contracts or assets having the effect of derivative contracts are held.
 - (b) Not applicable, as the Company has not written any with-profit business.
 - (c) Not applicable, as the net premium method has not been used.
 - (d) Negative reserves have been eliminated on a policy-by-policy basis and no contracts have been treated as an asset.
 - (e) Not applicable, as no contracts participate in profits.
 - (f) No provision is required for any prospective liability for tax on unrealised capital gains.

(g) Not applicable, as the Company has not written any linked business.

(h) Certain guaranteed insurability options exist within several treaties. No explicit reserve has been established in respect of these options. The prudence contained in the existing reserving basis is thought adequate to cover any risk in the event that any of these options be taken up

7 (1) All rates of interest used in the valuation are shown in Forms 51 to 54.

The mortality rates for the term assurance business were 76.5%/153% of TM92 for non-smoker/smoker male lives and 85%/170% of TF92 for non-smoker/smoker female lives. Both tables use a five-year select period.

The morbidity rates for accelerated critical illness business were 100% of adjusted CIBT93 (accelerated critical illness table) for non-smoker male/female lives and 160% of adjusted CIBT93 (accelerated critical illness table) for smoker male/female lives. The accelerated critical illness CIBT93 table has been adjusted to allow for an insurance life age x by multiplying the expected ratio of insured mortality (using TM92 and TF92 with a five year select period) to population mortality (using ELT15M and ELT15F).

The morbidity rates for standalone critical illness business were 100%/120% of adjusted CIBT93 (standalone critical illness table) for non-smoker male/female lives and 180%/216% of adjusted CIBT93 (standalone critical illness table) for smoker male/female lives. The standalone critical illness CIBT93 table has been adjusted to allow for an insurance life age x by multiplying the expected ratio of insured mortality (using TM92 and TF92 with a five year select period) to population mortality (using ELT15M and ELT15F).

(2) The Company only uses published tables.

(3) All tables are based on UK experience and all liabilities reserved thereon are based in the UK.

(4) Not applicable.

(5) The valuation morbidity assumptions are increased by 1.5%/2.25% per annum for accelerated/standalone critical illness business to allow for the risk of a possible deterioration in experience.

An additional gross of reinsurance reserve, of £3,978,000 was held in respect of AIDS related deaths. The reserve was calculated by increasing

the base mortality rates using 33.3% of projection R6A of Bulletin No.5 of the Institute of Actuaries working party.

(6) The following scenarios of future changes in the value of assets have been tested to take into account the nature and terms of the assets held in determining the amount of the long-term liabilities.

(1) A fall in the risk free yield according to the formula (25 years – years to redemption)% subject to a minimum fall of 10% and a maximum fall of 20%.

(2) A fall in the risk free yield to a level calculated for future investments (in accordance with Rule 5.11(9)).

(3) A rise in the risk free yield of 1.5%.

(7) No additional reserve is required pursuant to Rule 5.17 (a). The adoption of a valuation rate of interest taken as the lower of the reliable yield on the hypothecated assets and the maximum reinvestment rate combined with the fixed interest maturity profile indicate that the resilience test reserve exceeds the cashflow mismatching reserve required.

(8) A resilience reserve of £619,000 has been established in respect of the most onerous requirement of a fall in the risk free yields in Scenario 1.

(a) No other changes (other than the changed interest rate stated in Form 57) were made in the resilience testing.

(b) The present value of the expected liability outgo was recalculated using a valuation interest rate of 3.50%. The asset value was recalculated based on a fall of the risk free yields of in Scenario 1.

(c) (i) The change in the aggregate amount of the long-term liabilities was an increase of £1,132,000.

(ii) The change in the aggregate amount of the assets allocated to match such liabilities was an increase of £496,000.

(9) Not applicable.

8 (a) The following amounts were provided for expenses:

- 1.25% to 5.5% of the office premiums for accelerated critical illness business.
- 2% to 4% of the office premiums for standalone critical illness business.
- 2% to 5.5% of the office premiums for term assurance business.

(b) Not applicable.

(c) Not applicable.

(d) Not applicable.

9 Not applicable.

10 (1) Renewal expenses are assumed to increase by 4.00% per annum.

(2) The aggregate amount arising during the twelve months after the valuation date from implicit and explicit reserves made in the valuation to meet expenses in fulfilling contracts in force at the valuation date is £939,000.

(3) A reserve of £1,653,000 was calculated in respect of the expenses of continuing to transact new business during the twelve months following the valuation date. The reserve represents the present value of the difference between the total expected expenses in 2004 and the expense allowance in the premium income expected in 2004.

(4) A reserve of £1,205,000 was calculated in respect of providing for the costs of closure to new business, if the company were to cease to transact new business twelve months after the valuation date. The costs include disposal of assets, legal costs, Audit fees, Appointed Actuary fees and a shortfall in the expense loadings to maintain the current contracts.

11 The schedule of mathematical reserves and the liabilities in respect of the deposits received from reinsurers analysed by currency is as follows:

<u>Currency</u>	<u>Reserves and Deposit Backs</u>
Pounds Sterling	17,930,000
Euros	24,000

All assets are denominated in Pounds Sterling.

12 (1) The Company has not ceded any reinsurance on a facultative basis to a reinsurer who is not authorised to carry on insurance business in the United Kingdom.

- (2) (a) Existing reinsurance treaties are in place with RGA Americas Reinsurance Company Ltd ("RGA Americas"), the Irish Branch of Sun Life Assurance Company of Canada ("SLOC") and the UK Branch of XL Re Ltd ("XL Re"). New reinsurance agreements have been entered into with The Manufacturers Life Insurance Company, Barbados Branch ("Manulife"). A stoploss arrangement is in place with RGA Reinsurance Company ("RGA US") on an annually renewable basis.

Reinsurance treaty with RGA Americas:

- (b) The reinsurer is not authorised to carry on business in the United Kingdom.
- (c) RGA Americas is a connected company.
- (d) The treaty is a 0-90% quota share arrangement subject to the following retention limits. Business will be retroceded on a per life basis, above the following maximum retention limits to RGA Americas:

Death	£100,000
Critical Illness Cover	£100,000
Accident and unemployment	£100,000
Total and Permanent Disablement	£100,000
Disability Income (PHI)	£1,000 per month
Long Term Care	£1,000 per month
Risk Portion of Annuities	£1,000 per month

- (e) The premiums payable under the treaty were £8,164,004.
- (f) Nil.
- (g) Nil.
- (h) The treaty is open to new business.

Reinsurance treaty with SLOC

- (b) The reinsurer is not authorised to carry on business in the United Kingdom.
- (c) SLOC is not a connected company.

(f) Nil.

(g) Nil.

(h) The treaty is open to new business.

Reinsurance treaty with RGA US

(b) The reinsurer is not authorised to carry on business in the United Kingdom.

(c) RGA US is a connected company.

(d) RGA US is to indemnify RGA UK for claims paid on selected treaties above 92% of the UK statutory reserving basis on said treaties. The business to be reinsured is that proportion that is retained by RGA UK.

(e) The premiums payable under the treaty were £45,300.

(f) Nil.

(g) Nil.

(h) The treaty is open to new business.

(3) The Company has not entered into any 'financing arrangements'.

13-16 The Company does not allocate bonuses from its surplus.

17 See Form 46.

18 See Form 47.

19 See Forms 48 and 49.


20 See Forms 51.

21 (1) See Form 57.

(2) The yield on assets has not been adjusted.

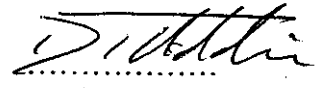
22 See Form 58.

23 See Form 60.


Perry Thomas
Managing Director


Roger Corley
Director


Ralph Sepel
Director


David Addison
Appointed Actuary

NOTES TO APPENDIX 9.4

Form 46

The total number of contracts equals the actual number of contracts.

There are no group contracts in force.

Form 47

The total number of contracts equals the actual number of contracts.

Form 48

The amount of accrued interest included in line 12 is £0.

Form 51

The total number of contracts equals the actual number of contracts.

Column 9 represents the present value of the projected net cashflows.

Form 57

The contract described in the balance sheet is:

- Resilience Reserves

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

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Overseas business

Non-linked

Financial year ended **31st December 2003**

		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		NL/LN	
						day month year								
		R46		3552908		GL		31 12 2003			£000		OS NL	
		Life assurance and general annuity		Pensions business		Permanent health			Other business					
		No of contracts		Annual premiums		No of contracts		Annual premiums		No of contracts		Annual premiums		
		1		2		3		4		5		6		
		7		8										
In force at beginning of year	11	67	10											
New business and increases	12	5114	121											
Net transfers and other alterations 'on'	13													
Total 'on' (12+13)	19	5114	121											
Deaths	21													
Other insured events	22													
Maturities	23													
Surrenders	24													
Forfeitures	25	23	2											
Conversions to paid-up policies for reduced benefits	26													
Net transfers, expiries and other alterations 'off'	27	5100	117											
Total 'off' (21 to 27)	29	5123	119											
In force at end of year (11+19-29)	39	58	12											

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

Name of insurer

RGA REINSURANCE UK LIMITED

Global business

Financial year ended

31st December 2003

Company registration number	GL/JUK/CM	Period ended			Units
		day	month	year	
R47	3552908	GL	31	12	2003
					£000

Type of insurance	Single premium contracts				Regular premium contracts			
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit		
1	2	3	4	5	6	7		
UK REINSURANCE ACCEPTED								
Life Assurance & General Annuity Business								
Non-Linked Non-Profit Policies								
Term assurance				179846	2448	1715326		
Other assurance (accelerated critical illness)				213311	5443	1561471		
Group Life						3430 pa		
Sub total: Non-Linked Non-Profit Policies				393157	7891	3276797		
						3430 pa		
Total: Life Assurance & General Annuity Business				393157	7891	3276797		
						3430 pa		

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

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**

Company registration number	GL/UK/CM	Period ended			Units
		day	month	year	
R47	3552908	GL	31	12	2003
					£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Permanent Health Insurance						
Non-Linked Non-Profit Policies						
Permanent health assurance				6201	182	48396
Sub total: Non-Linked Non-Profit Policies				6201	182	48396
Total: Permanent Health Insurance				6201	182	48396
Total: UK Reinsurance Accepted				399358	8073	3325193
						3430 pa

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

Name of insurer RGA REINSURANCE UK LIMITED

Global business

Financial year ended 31st December 2003

Company registration number	GL/UK/CM	Period ended			Units
		day	month	year	
R47	3552908	GL	31	12	2003
					£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
OVERSEAS REINSURANCE ACCEPTED						
Life Assurance & General Annuity Business						
Non-Linked Non-Profit Policies						
Term assurance						
Sub total: Non-Linked Non-Profit Policies						
Total: Life Assurance & General Annuity Business						
Total: Overseas Reinsurance Accepted						

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

Name of insurer

RGA REINSURANCE UK LIMITED

Global business

Financial year ended

31st December 2003

Category of assets

Total long-term insurance business assets

Printed 29th MAR 04 at 19:09

Company registration number		GLUK/CM		Period ended				Units		Category of assets
				day	month	year				
R49		3552908		GL	31	12	2003	£000	10	
Redemption period in years		Value of admissible assets as shown on Form 13	Gross redemption yield %	Value of admissible higher yielding assets		Value of admissible assets as shown on Form 13	Gross redemption yield %	Value of admissible higher yielding assets		Category of assets
One year or less	11									
More than one year but not more than five years	12	21971	4.45							
More than five years but not more than ten years	13	3226	4.79							
More than ten years but not more than fifteen years	14	3898	4.86							
More than fifteen years but not more than twenty years	15									
More than twenty years but not more than twenty five years	16									
More than twenty five years	17									
Irredeemable	18									
Total (11 to 18)	19	29095	4.54							
One year or less	21									
More than one year but not more than five years	22									
More than five years but not more than ten years	23									
More than ten years but not more than fifteen years	24									
More than fifteen years but not more than twenty years	25									
More than twenty years but not more than twenty five years	26									
More than twenty five years	27									
Irredeemable	28									
Total (21 to 28)	29									

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

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Business**

Category of surplus		Ordinary long term business										Category of surplus	
Type of insurance or name of contract		Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	UK	L&GA	Amount of mathematical reserves	
						Value of annual premiums							
		Rate of interest	Mortality or morbidity table			Office premiums	Net premiums						Office premiums
1	2	3	4	5	6	7	8	9	10	11	12		
REASSURANCE ACCEPTED													
Non-Profit Policies													
Accelerated Critical Illness	4.00		264121	4047373	16757			73251				73251	
Term assurance	4.00		176773	1655720	2439			19363				19363	
Aids Reserve								3930				3930	
Resilience Reserve								618				618	
IBNR								2661				2661	
Miscellaneous								2858				2858	
Sub total: Non-Profit Policies			440894	5703093	19196			102681				102681	
Sub total: Reassurance Accepted			440894	5703093	19196			102681				102681	
REASSURANCE CEDED													
Non-Profit Policies													
Accelerated Critical Illness	4.00			3405431	14373			64881				64881	
Term assurance	4.00			1050777	1433			14731				14731	
Aids Reserve								3272				3272	
IBNR								2312				2312	
Sub total: Non-Profit Policies				4456208	16806			85196				85196	

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

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Business**Company
registration
numberPeriod ended
day month year

Units

Type of
businessCategory
of surplus

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
					Office premiums	Net premiums			Office premiums	Net premiums	
	Rate of interest	Mortality or morbidity table			6	7	8	9	10	11	12
1	2	3	4	5	6	7	8	9	10	11	12
Sub total: Reassurance Ceded				4456208	15806			85196			85196
Net total: Life Assurance & General Annuity Business			440894	1246885	3390			17485			17485

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

Name of insurer **RGa REINSURANCE UK LIMITED**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Business**Category of surplus **Ordinary long term business**

Company registration number													
GL/UK/CM													
Period ended													
day month year													
Units													
UK/OS													
Type of business													
Category of surplus													
Ordinary long term business													
R51 3552908 GL 31 12 2003 £000													
Amount of sums assured or annuities per annum, including vested reversionary bonuses													
Office premiums													
Net premiums													
Proportion of office premiums reserved for expenses and profits													
Value of sums assured or annuities per annum, including vested reversionary bonuses													
Office premiums													
Net premiums													
Value of annual premiums													
Office premiums													
Net premiums													
Amount of mathematical reserves													
1 2 3 4 5 6 7 8 9 10 11 12													
1													
REASSURANCE ACCEPTED													
Non-Profit Policies													
Accelerated Critical Illness													
Term assurance													
Aids Reserve													
Resilience Reserve													
IBNR													
Miscellaneous													
73251													
19363													
3930													
618													
2661													
2858													
102681													
102681													
64881													
14731													
3272													
2312													
85196													
85196													

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

Name of insurer **RGa REINSURANCE UK LIMITED**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Business**

Category of surplus															Ordinary long term business											
Type of insurance or name of contract															Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums			Amount of mathematical reserves
															Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums		
1															2	3	4	5	6	7	8	9	10	11	12	
Sub total: Reassurance Ceded																		4456208	15806			85196				85196
Net total: Life Assurance & General Annuity Business																	440894	1246885	3390			17485				17485

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

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

United Kingdom business

Financial year ended **31st December 2003**

Type of business **Permanent Health Insurance**

Category of surplus **Ordinary long term business**

Type of business		Permanent Health Insurance		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Type of business		Category of surplus						
Category of surplus		Ordinary long term business		R51		3552908		GL		31		12		2003		£000		UK		PHI		11	
Type of insurance or name of contract		Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits		Value of sums assured or annuities per annum, including vested reversionary bonuses		Value of annual premiums		Amount of mathematical reserves									
		Rate of interest	Mortality or morbidity table			Office premiums	Net premiums	Office premiums	Net premiums	Office premiums	Net premiums	Office premiums	Net premiums										
1		2	3	4	5	6	7	8	9	10	11	12											
REASSURANCE ACCEPTED																							
Non-Profit Policies																							
Permanent health assurance		4.00		9812	49835	197			933								933						
Aids Reserve									48								48						
IBNR									22								22						
Sub total: Non-Profit Policies				9812	49835	197			1003								1003						
Sub total: Reassurance Accepted				9812	49835	197			1003								1003						
REASSURANCE CEDED																							
Non-Profit Policies																							
Permanent health assurance		4.00			24918	98			519								519						
Aids Reserve									27								27						
IBNR									12								12						
Sub total: Non-Profit Policies					24918	98			558								558						
Sub total: Reassurance Ceded					24918	98			558								558						
Net total: Permanent Health Insurance				9812	24917	99			445								445						

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

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

United Kingdom business

Financial year ended **31st December 2003**

Type of business **Permanent Health Insurance**

Category of surplus **Ordinary long term business**

Type of business		Permanent Health Insurance		Company registration number		GL/UK/CM		Period ended			Units		UK/OS		Type of business		Category of surplus	
Category of surplus		Ordinary long term business																
Type of insurance or name of contract		Valuation basis		No of contracts	R51	3552908	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves					
		Rate of interest	Mortality or morbidity table				Office premiums	Net premiums			Office premiums	Net premiums						
1		2	3	4	5	6	7	8	9	10	11	12	11					
Net total: United Kingdom Insurance Business				450706	1271802	3489			17930				17930					

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

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Overseas business

Financial year ended **31st December 2003**Type of business **Life Assurance & General Annuity Business**

Ordinary long term business															Category of surplus	
Type of insurance or name of contract		Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		OS	L&GA	11		
		Rate of interest	Mortality or morbidity table		5	Office premiums	Net premiums	8	9	Office premiums	Net premiums					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
REASSURANCE ACCEPTED																
Non-Profit Policies	4.00		58	12590	12			48						48		
Term assurance																
Sub total: Non-Profit Policies			58	12590	12			48						48		
Sub total: Reassurance Accepted			58	12590	12			48						48		
REASSURANCE CEDED																
Non-Profit Policies	4.00			8166	6				24					24		
Term assurance																
Sub total: Non-Profit Policies				8166	6			24						24		
Sub total: Reassurance Ceded				8166	6			24						24		
Net total: Life Assurance & General Annuity Business			58	4424	6			24						24		
Net total: Overseas Insurance Business			58	4424	6			24						24		

Long term insurance business : Matching rectangle

Name of insurer **RGA REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**

Sterling liabilities

Valuation rate(s) of interest **4%**

Type of business

Non profit

Life Assurance and Annuity Insurance Business

Total long-term insurance business assets

Category of assets

Company
registration
number

R57												3552908		GL	31	12	2003	£000	Stg	4	L&GA	NP	10					
Type of asset notionally allocated												The valuation												The resilience scenario				
												Value of asset notionally allocated 1		Risk adjusted yield % 2		Value of assets notionally allocated			Risk adjusted yield % 6									
																On original allocation 3	Increase or decrease 4	Total under resilience scenario 5										
Land and buildings												11																
Fixed interest securities												12	17334		4.54	17830	636	18466				3.70						
Other												13																
Variable interest and Variable yield securities (excluding items shown at line 16)												14																
Other												15																
Equity shares and holdings in collective investment schemes												16																
Loans secured by mortgages												17																
Producing income												18																
Not producing income												19																
Total (11 to 19)												29	17334		4.54	17830	636	18466			3.70							
Gross valuation interest rate %												31			4.00						3.50							
Net valuation interest rate % (where appropriate)												32			4.00						3.50							
Mathematical reserve or other liability, net of reinsurance												33	17334					18466										

Long term insurance business : Matching rectangle

Sterling/Non sterling liabilities

Name of insurer RGA REINSURANCE UK LIMITED

Valuation rate(s) of interest Balance

Global business

Type of business

Financial year ended 31st December 2003

With profits/Non profit

Total long-term insurance business assets

Company registration number	GLU/KCM	Period ended			Units	Stg/NonStg	Valuation rate of interest	L&GA/Pensal/PHI/Other	WP/NP	Category of assets
		day	month	year						
R57	3552908	GL	31	12	2003	£000		98		10
Type of asset notionally allocated		The valuation				The resilience scenario				
		Value of asset notionally allocated 1	Risk adjusted yield % 2	Value of assets notionally allocated			Total under resilience scenario 5	Risk adjusted yield % 6		
				On original allocation 3	Increase or decrease 4					
Land and buildings		11								
Fixed interest securities	Approved securities	12	619	4.54	636	(636)				
	Other	13								
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14								
	Other	15								
Equity shares and holdings in collective investment schemes		16								
Loans secured by mortgages		17								
All other assets	Producing income	18								
	Not producing income	19								
Total (11 to 19)		29	619	4.54	636	(636)				
Gross valuation interest rate %		31								
Net valuation interest rate % (where appropriate)		32								
Mathematical reserve or other liability, net of reinsurance		33	619							

Long term insurance business : Valuation result and distribution of surplus

Printed 29th MAR 04 at 19:17

Name of insurer **RGa REINSURANCE UK LIMITED**

Global business

Financial year ended **31st December 2003**Company
registration
number

GL/UK/CM

Period ended

Units

Category
of surplus

Category of surplus

Ordinary long term
business

R58

3552908

GL

31

12

2003

£000

11

Valuation result	Fund carried forward		11	29024
	Bonus payments made to policyholders in anticipation of a surplus		12	
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	
		Transfer to other funds/parts of funds	14	
	Net transfer out of funds/parts of funds (13+14)		15	
	Total (11+12+15)		16	29024
	Mathematical reserves for accumulating with profit policies		17	
	Mathematical reserves for other non linked contracts		18	17954
	Mathematical reserves for property linked contracts		19	
	Mathematical reserves for index linked contracts		20	
	Total (17 to 20)		21	17954
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29	11070
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31	4790
	Transfers into fund/part of fund	Transfer from non-technical account	32	16000
		Transfer from other funds/parts of fund	33	
	Net transfer into fund/part of fund (32+33)		34	16000
	Surplus arising since the last valuation		35	(9720)
	Total (31+34+35)		39	11070
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41	
	Allocated to policyholders by way of	Cash bonuses	42	
		Reversionary bonuses	43	
		Other bonuses	44	
		Premium reductions	45	
	Total allocated to policyholders (41 to 45)		46	
	Net transfer out of fund/part of fund		47	
	Total distributed surplus (46+47)		48	
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49	11070
Total (48+49)		59	11070	
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61	
Corresponding percentage at three immediately previous valuations	Latest (year of valuation 2002)		62	
	Earlier (year of valuation 2001)		63	
	Earliest (year of valuation 2000)		64	

Long term insurance business : Required minimum margin

Printed 29th MAR 04 at 19:17

Name of insurer

RGA REINSURANCE UK LIMITED

Global business

Company registration number

R60 3552908

GLUK/CM

Period ended

day month year

Units

Financial year ended 31st December 2003

Financial year ended 31st December 2003										R60		3552908		GL		31		12		2003		£000	
Class		Classes I, II & IX		Class III business with relevant factor of				Class IV and VI		Classes VII and VIII business with relevant factor of				Unallocated additional mathematical reserves with relevant factor of				Total for all classes					
Relevant factor (Instruction 1)		4% 1	4% 2	1% 3	Nil 4	Total 5	4% 6	4% 7	1% 8	Nil 9	Total 10	4% 11	1% 12	The financial year 13	The previous year 14								
11	Reserves before distribution of surplus	99448					808					3476		103732	64815								
12	Mathematical reserves before deduction of reinsurance																						
13	Reserves for bonus allocated to policyholders	99448					808					3476		103732	64815								
14	Reserves after distribution of surplus	14137					341					3476		17954	9241								
15	Mathematical reserves after deduction of reinsurance																						
16	Reserves for bonus allocated to policyholders	14137					341					3476		17954	9241								
17	Ratio of 16 to 13 or 0.85 if greater (see Instruction 2)	0.50					0.50					1.00											
19	Required margin of solvency - first result = (line 13) * (line 17) * relevant factor	1989					16					139		2144	1360								
21	Temporary assurance with required margin of solvency of 0.1%	5718014												5718014	3115568								
22	Non negative capital at risk before reinsurance																						
23	Temporary assurance with required margin of solvency of 0.15%																						
29	Total (21 to 23)	5718014												5718014	3115568								
31	Non negative capital at risk after reinsurance (all contracts) (see Instruction 3)	1229562												1229562	411535								
32	Ratio of line 31 to line 29, or 0.50 if greater	0.50																					
39	Required margin of solvency - second result (see Instruction 4)	2859												2859	1558								
49	Sum of first and second results (19+39)	4848					16					139		5003	2918								
51	Required margin of solvency for supplementary Accident & Sickness Insurance & Class V business																						
59	Total required margin of solvency for long term insurance business (49+51)													5003	2918								
61	Minimum guarantee fund													834	506								
69	Required minimum margin (greater of lines 59 and 61)													5003	2918								

Returns under the Accounts and Statements Rules

RGA Reinsurance UK Limited

Global business

Financial year ending 31st December 2003

Supplementary notes to the return

***0901* written concession**

In August 2000 the Treasury, on the application of the Company, made an Order under Section 67 of the Insurance Companies Act 1982. The effect of the Order was to permit the Company to treat, for the purposes of sections 17 to 20, 25, 28 to 31, 42, 55, 56 and 59(2) of the Insurance Companies Act 1982, the general business of the Company falling within classes 1, 2 and 16 as if it was ordinary long term business.

By virtue of the transitional provisions of the Supervision Manual, this written concession has been carried forward in relation to the equivalent rules in the FSA Handbook of Rules and Guidance.

***1001* Reconciliation to Capital and Reserves in Companies accounts**

	2003 £'000	2002 £'000
Form 13 line 99 – Other than long term business	19,069	14,703
Form 15 line 59 – Other than long term business	(74)	(54)
	<hr/> 18,995	<hr/> 14,649
difference due to assets retained in the long term fund to support statutory reserving requirements and new business strain.	14,158	6,934
Capital and Reserves per Companies Act accounts	<hr/> <hr/> 33,153	<hr/> <hr/> 21,583

***1002* Particulars of any other movements**

None.

***1304* & *1310* Amounts set off**

Amounts have been set off in accordance with generally accepted accounting principles.

***1305* & *1311* Investment guidelines**

The investment guidelines require that:

- The portfolio is constructed within the asset admissibility limits set out in IPRU (INS) Volume 2 Appendix 4.2.
- No more than 5% of the portfolio will be invested with any one issuer, with the exception of the Government and Semi-Government instruments and cash and deposits placed with approved credit institutions.
- All derivative purchases need to be pre approved by RGA UK's Managing Director and a second member of the Board.

There were no breaches in the Company's investment guidelines during the period of the return.

***1306* & *1312* Amount and nature of exposure at year end to large counterparties**

There was no exposure to a counterparty in excess of 5% of the long-term insurance business amount as at 31 December 2003.

***1401* & *1501* Provision for adverse changes**

There is no provision for adverse changes as the company has no derivatives or other commitments that would require an adverse changes provision.

***1402* & *1502* Contingent liabilities**

- (a) There are no charges over the company's assets.
- (b) There is no potential liability to capital gains tax arising from the sale of assets of either the policyholder or shareholder funds as at the date of the return.
- (c) No contingent liabilities exist.

- (d) No guarantees, contractual indemnities or commitments were effected other than in the ordinary course of insurance business in respect of related parties.
- (e) No fundamental uncertainties exist affecting the business.

***1601* & *4005* Conversion of foreign currency**

The company has transacted a minimal amount of business in foreign currency during the period of the return. An end of period basis has been used to determine the sterling risk and related premium due. Any incidental items of expenditure invoiced in a foreign currency have been recorded in sterling at the sterling amount that was incurred in making the payment.

***1603* Other income and charges**

Other income and charges were: audit fees, board of directors' fees, and a proportion of asset management fees.

***1700* Derivatives**

Form 17 has been omitted, as it would have been a nil return.

***4008* Management service agreements**

During the period of the return a Management Service Agreement covering treasury, corporate and financial planning and analysis, internal audit, human resources, legal claims and technical accounting, business development, public relations and internal communication, finance business solutions, executive clerical and life business production services and data processing was provided to the Company by a sister company, RGA UK Services Limited, based in London.

Deutsche Asset Management Limited, an unrelated company, based in the United Kingdom, provides asset Management.

Custodian services in respect of investments were provided under agreement with Bank of New York, based in the United States. The custodian account is managed from the London Office of Bank of New York.

***4009* Material connected party transactions**

RGA Reinsurance (UK) Limited retrocedes business on both quota share and surplus basis to RGA Americas Reinsurance Company Limited ('RGA Americas'), a Barbadian company that shares a common intermediate parent, Reinsurance Group of America Incorporated.

The terms of the agreement are determined upon an arms length basis deemed fair to both parties and is consistent with external retrocession arrangements.

During the period of the return reinsurance premiums of £8,157,000 arose under this retrocession arrangement. No amounts have been written-off by either party. At 31 December 2003 the net amount owed to RGA Americas was £1,153,000.

No other transactions with connected parties meet the definition of material connected party transactions.

***4601* Net transfers, expiries and other alterations 'off' Annual premiums**

The amount shown in Form 46, United Kingdom business, line 27 reflects allows for a restatement for the amount of total annual premiums previously over-reported for certain rider benefits.

The amount shown in Form 46, Overseas business, line 27 allows for the complete recapture by one direct insurer of its inception to date reinsured business to RGA Reinsurance (UK) Limited. Second, it allows for policy anniversary dependant cover changes applicable for certain risk premium treaties. Lastly, it reflects changes to the euro / pound exchange rate for certain risk premium treaties.

***4602* Net transfers, expiries and other alterations 'off' No of contracts**

The amount shown in Form 46, United Kingdom business, line 27 allows for a restatement for the total policy count previously over-reported for certain rider benefits.

The amount shown in Form 46, Overseas business, line 27 allows for the complete recapture by one direct insurer of its inception to date reinsured business to RGA Reinsurance (UK) Limited.

Returns under the Accounts and Statements Rules

RGA Reinsurance UK Limited

Global business

Financial year ended 31st December 2003

Statement of additional information on derivative contracts as required by Rule 9.29.

- (a) The company's investment guidelines permit the use of derivatives to the extent that these would represent approved derivative contracts under Rule 4.12 and require that the Managing Director and another director approve the use on each occasion.
- (b) It is not envisaged that derivatives arrangements will be used under which the company has a right or obligation to acquire or dispose of assets which was not, at the time when the contract was entered into, reasonably likely to be exercised.
- (c) The company has not been party to any arrangement including the use of derivatives or quasi derivatives during the financial year.

There are no matters to disclose under paragraphs (d) to (i) of Rule 9.29.

Returns under Insurance Companies Legislation

RGA Reinsurance UK Limited

Global business

Financial year ended 31st December 2003

Statement of additional information on controllers as required by Rule 9.30

<u>Shareholder Controller</u>	<u>Shareholding/Voting rights</u>
RGA Holdings Limited	100% / 100%
Reinsurance Group of America, Inc	100% / 100%
Equity Intermediary Company	51.9% / 51.9%
General American Life Insurance Company	100% / 100%
Genamerica Financial Corporation	100% / 100%
Metropolitan Life Insurance Company	100% / 100%
Metlife, Inc	100% / 100%

The companies are listed in reverse hierarchical order; percentages shown are in relation to shareholding and voting rights in the company immediately above it in the list.

Returns under the Accounts and Statements Rules

RGA Reinsurance UK Limited

Global business

Financial year ended 31st December 2003

Statement of information on appointed actuary required by Rule 9.36

Mr D T Addison - Appointed Actuary

1.
 - (a) The actuary had no interest in any shares or debentures of the company at any time during the year.
 - (b) The actuary had no pecuniary interest in any transaction between the actuary and the company subsisting at any time during that year save for his interest as a partner in the firm of Watson Wyatt LLP in respect of the amounts disclosed in c).
 - (c) The aggregate amount of remuneration receivable by Watson Wyatt LLP during the year under a contract for services to the company was £165,400.
2. The actuary was requested to furnish the company with particulars specified in Rule 9.36, and he has confirmed that the information in items (a) to (c) above is correct.

Returns under the Accounts and Statements Rules

RGA Reinsurance UK Limited

Global business

Financial year ended 31st December 2003

Appendix 9.6 – Part I

Certificate by Directors required by Rule 9.34(a)

We certify:

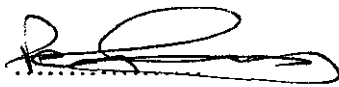
1.
 - (a) That in relation to the part of this return comprising Forms 9, 9A, 10, 13 to 17 and 40 to 42 (including the supplementary notes) and statements required by Rules 9.29 and 9.30:
 - (i) The return has been prepared in accordance with the Accounts and Statements Rules;
 - (ii) Proper accounting records have been maintained and adequate information has been obtained by the company; and
 - (iii) Appropriate systems and controls have 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 identifying material connected-party transactions.
 - (c) that the whole of the company's business is excluded by Rule 7.6 from the requirements of Rules 7.1 to 7.5 (matching and localisation).
 - (d) in relation to the statement required by Rule 9.36 –
 - (i) That for the purpose of preparing the statement, proper accounts and records have been maintained, and
 - (ii) That the information given has been ascertained in conformity with that rule.
2. That the margin of solvency required by Rule 2.1 has been maintained throughout the financial year.

- Money Laundering – Guidance Notes for the Financial Sector (revised December 2001) issued by the Joint Money Laundering Steering Group

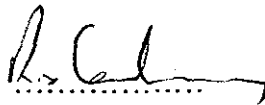
and it is reasonable to believe that those systems and controls continued so to comply subsequently and will continue so to comply in future;

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

- Guidance Note 4.1 “Guidance for insurers and auditors on the Valuation of Assets Rules”;
- Guidance Note 4.2 “The use of derivatives in insurance funds”, and
- Guidance Note 9.1 “The preparation of returns”.



Perry Thomas
Managing Director



Roger Corley
Director



Ralph Sepel
Director

29 March 2004

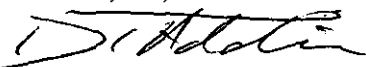
RGa REINSURANCE UK LIMITED

Appendix 9.6 - Part II

Certificate by the appointed actuary for the year ending 31 December 2003

I certify that:

- (a) (i) in my opinion proper records have been kept by the Company adequate for the purpose of the valuation of the liabilities of its long term business; and
- (ii) the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision at the end of the financial year for the long term insurance business liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year), including any increase in those liabilities arising from a distribution of surplus as a result of an investigation as at 31 December 2003 into the financial condition of the long term business; and
- (iii) for the purpose of sub-paragraph (ii) above, the liabilities have been assessed in accordance with the Determination of Liabilities Rules in the context of assets valued in accordance with the Valuation of Assets Rules, as shown in Form 13; and
- (iv) the guidance notes "The Prudential Supervision in the UK of Long-Term Insurance Business (GN1)" dated 1 December 2001 and "Additional Guidance on valuation of long-term insurance business (GN8)" dated 30 December 2002, issued by the Institute of Actuaries and the Faculty of Actuaries have been complied with; and
- (v) in my opinion premiums for contracts entered into during the financial year and the income earned thereon are sufficient, on reasonable actuarial assumptions, and taking into account the other financial resources of the Company that are available for the purpose, to enable the Company to meet its commitments in respect of those contracts and, in particular, to establish adequate mathematical reserves; and
- (b) the amount of the required minimum margin applicable to the Company's long term insurance business immediately following the end of the financial year (including any amounts resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of the long term business) is £5,003,000.



D T Addison
Appointed actuary
Fellow of the Faculty of Actuaries
and Partner in the firm of Watson Wyatt LLP

Watson House
London Road
Reigate
Surrey
RH2 9PQ

29 March 2004

RGA Reinsurance UK Limited

Global Business

Financial year ended 31 December 2003

Report of the auditors to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook for Insurers

We have examined the following documents prepared by the company pursuant to the Accounts and Statements Rules set out in part 1 of chapter 9 to the Interim Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 9, 9A, 10, 13 to 17 and 40 to 42, (including the supplementary notes) on pages 3 to 18 ("the Forms");
- the statement required by rule 9.29 on page 49 ("the statement"); and
- the certificate signed in accordance with rule 9.34(a) on pages 52 to 54 ("the certificate").

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

- paragraph 1(c) in relation to the statements required by rules 9.30 and 9.36 concerning shareholder controllers and information on the appointed actuary;
- paragraph 3 (d) concerning the investment policy and practice of internal linked funds required by paragraph 4(d) of Appendix 9.6; and
- paragraph 4 (a) in so far as it relates to controls with respect to Money Laundering.

Our report is provided to the directors of RGA Reinsurance UK Limited in accordance with rule 9.35 of the Interim Prudential Sourcebook for Insurers. We acknowledge that our report will be provided to the FSA for the use of the FSA solely for the purposes set down by statute and the FSA's rules. Our work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditors' report on an annual FSA return for an insurer and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the FSA, and the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, statements and certificate) under the provisions of the Rules. The requirements of the Rules have been modified by a waiver issued under sections 68 of the Insurance Companies Act 1982 on 22 August 2000. By virtue of the transitional provisions, this has been carried forward in relation to the other rules in the Financial Services and Markets Act 2000. Under rule 9.11 the Forms and statements are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms and statement meet these requirements, and in the case of the certificate whether it was or was not unreasonable for the persons giving the certificate to have made the statements therein, and to report our opinions to you. Our responsibilities as independent auditors are established in the United Kingdom, by statute, the Auditing Practices Board, and by our profession's guidance.

Bases of opinions

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms and statement. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms and statement.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms and statement are free from material misstatement, whether caused by fraud or other irregularity or error and comply with rule 9.11.

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

In giving our opinion we have relied on the certificate of the actuary on page 55 with respect to the mathematical reserves and the required minimum margin for long-term business.

Opinions

In our opinion:

- (a) the Forms and statement fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and
- (b) based on the information and explanations received by us:
 - (i) the certificate has been properly prepared in accordance with the provisions of the Rules; and
 - (ii) it was not unreasonable for the persons giving the certificate to have made the statements therein.

Deloitte & Touche LLP

Deloitte and Touche
Chartered Accountants and Registered Auditors
London

31 ~~29~~ March 2004