

# **BA (GI) Limited**

**(Formerly Britannic Assurance Public Limited Company)**

**Annual FSA Insurance Returns for the year ended**

**31 December 2007**

**Appendices 9.1, 9.2, 9.5 and 9.6**

**Statement of solvency - general insurance business**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day month year			Units
	R1	3002	GL	31	12	2007
				<b>As at end of this financial year</b>		<b>As at end of the previous year</b>
				<b>1</b>		<b>2</b>

**Capital resources**

Capital resources arising outside the long-term insurance fund	<b>11</b>	2594	5538
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>		3000
Capital resources available to cover general insurance business capital resources requirement (11-12)	<b>13</b>	2594	2538

**Guarantee fund**

Guarantee fund requirement	<b>21</b>	2231	2139
Excess (deficiency) of available capital resources to cover guarantee fund requirement	<b>22</b>	363	399

**Minimum capital requirement (MCR)**

General insurance capital requirement	<b>31</b>	30	38
Base capital resources requirement	<b>33</b>	2231	2139
Individual minimum capital requirement	<b>34</b>	2231	2139
Capital requirements of regulated related undertakings	<b>35</b>		
Minimum capital requirement (34+35)	<b>36</b>	2231	2139
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>37</b>	1479	1468
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>38</b>	921	934

**Capital resources requirement (CRR)**

Capital resources requirement	<b>41</b>	2231	2139
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	<b>42</b>	363	399

**Contingent liabilities**

Quantifiable contingent liabilities in respect of other than long-term insurance business as shown in a supplementary note to Form 15	<b>51</b>		
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**Covering Sheet to Form 1**

**Form 1**

Name of insurer      **BA (GI) Limited**

Global business

Financial year ended    **31 December 2007**

.....  
R P Stockton

**Director**

.....  
J A Newman

**Director**

.....  
I G Maidens

**Director**

**Date: 26 March 2008**

**Statement of solvency - long-term insurance business**

Name of insurer **BA (GI) Limited**  
 Global business  
 Financial year ended **31 December 2007**  
 Solo solvency calculation

Company registration number	GL/UK/CM	day	month	year	Units	
R2	3002	GL	31	12	2007	£000
					As at end of this financial year	As at end of the previous year
					1	2

**Capital resources**

Capital resources arising within the long-term insurance fund	11		
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		3000
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13		3000

**Guarantee fund**

Guarantee fund requirement	21		2139
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22		861

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	31		
Resilience capital requirement	32		
Base capital resources requirement	33		2139
Individual minimum capital requirement	34		2139
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36		2139
Excess (deficiency) of available capital resources to cover 50% of MCR	37		1930
Excess (deficiency) of available capital resources to cover 75% of MCR	38		1396

**Enhanced capital requirement**

With-profits insurance capital component	39		
Enhanced capital requirement	40		

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 36 and 40)	41		2139
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42		861

**Contingent liabilities**

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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## Components of capital resources

Name of insurer BA (GI) Limited

Global business

Financial year ended 31 December 2007

	Company registration number	GL/ UK/ CM	day month year			Units
R3	3002	GL	31	12	2007	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

## Core tier one capital

Permanent share capital	11	50		50	50
Profit and loss account and other reserves	12	3320		3320	140488
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19	3370		3370	140538

## Tier one waivers

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit Items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				

## Other tier one capital

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

<b>Total tier one capital before deductions (19+24+25+26+27+28)</b>	<b>31</b>	<b>3370</b>		<b>3370</b>	<b>140538</b>
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
<b>Total tier one capital after deductions (31-37)</b>	<b>39</b>	<b>3370</b>		<b>3370</b>	<b>140538</b>

## Components of capital resources

Name of insurer BA (GI) Limited

Global business

Financial year ended 31 December 2007

	Company registration number	GL/ UK/ CM	day month year			Units
R3	3002	GL	31	12	2007	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

## Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41					
Perpetual non-cumulative preference shares excluded from line 25	42					
Innovative tier one capital excluded from line 27	43					
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44					
Perpetual cumulative preference shares	45					
Perpetual subordinated debt and securities	46					
Upper tier two capital in related undertakings	47					
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>					

Fixed term preference shares	51					
Other tier two instruments	52					
Lower tier two capital in related undertakings	53					
<b>Lower tier two capital (51+52+53)</b>	<b>59</b>					

<b>Total tier two capital before restrictions (49+59)</b>	<b>61</b>					
Excess tier two capital	62					
Further excess lower tier two capital	63					
<b>Total tier two capital after restrictions, before deductions (61-62-63)</b>	<b>69</b>					

## Components of capital resources

Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	3002	GL	31	12	2007	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

## Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71					
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>	3370			3370	140538
Inadmissible assets other than intangibles and own shares	73					
Assets in excess of market risk and counterparty limits	74	776			776	135000
Deductions for related ancillary services undertakings	75					
Deductions for regulated non-insurance related undertakings	76					
Deductions of ineligible surplus capital	77					
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>	2594			2594	5538

## Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	2594			2594	5538
Available capital resources for 50% MCR requirement	82	2594			2594	5538
Available capital resources for 75% MCR requirement	83	2594			2594	5538

## Financial engineering adjustments

Implicit items	91					
Financial reinsurance - ceded	92					
Financial reinsurance - accepted	93					
Outstanding contingent loans	94					
Any other charges on future profits	95					
<b>Sum of financial engineering adjustments (91+92-93+94+95)</b>	<b>96</b>					

## Calculation of general insurance capital requirement - premiums amount and brought forward amount

Name of insurer BA (GI) Limited

Global business

Financial year ended 31 December 2007

General insurance business

	Company registration number	GL/UK/CM	day	month	year	Units	
	R11	3002	GL	31	12	2007	£000
						This financial year 1	Previous year 2
Gross premiums written							
Premiums taxes and levies (included in line 11)							
Premiums written net of taxes and levies (11-12)							
Premiums for classes 11, 12 or 13 (included in line 13)							
Premiums for "actuarial health insurance" (included in line 13)							
<b>Sub-total A (13 + 1/2 14 - 2/3 15)</b>							
Gross premiums earned							
Premium taxes and levies (included in line 21)							
Premiums earned net of taxes and levies (21-22)							
Premiums for classes 11, 12 or 13 (included in line 23)							
Premiums for "actuarial health insurance" (included in line 23)							
<b>Sub-total H (23 + 1/2 24 - 2/3 25)</b>							
<b>Sub-total I (higher of sub-total A and sub-total H)</b>							
<b>Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure</b>							
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18						
	Excess (if any) over 53.1M EURO x 0.02						
<b>Sub-total J (32-33)</b>							
Claims paid in period of 3 financial years						506	665
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis						
	For insurance business accounted for on an accident year basis				1771	2254	
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis						
	For insurance business accounted for on an accident year basis				2324	2458	
<b>Sub-total C (41+42+43-44-45)</b>						(47)	461
Amounts recoverable from reinsurers in respect of claims included in Sub-total C						465	19
<b>Sub-total D (46-47)</b>						(512)	442
<b>Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.5 or, if less, 1.00)</b>						1.00	0.96
<b>Premiums amount (Sub-total J x reinsurance ratio)</b>							
Provision for claims outstanding (before discounting and net of reinsurance)						1771	2254
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero							
<b>Brought forward amount (See instruction 4)</b>						30	30
Greater of lines 50 and 53						30	30



**Calculation of general insurance capital requirement - claims amount and result**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	3002	GL	31	12	2007	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R				11	36			36
Claims paid in reference period				21	506			665
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis			22				
	For insurance business accounted for on an accident year basis			23	1771			2254
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis			24				
	For insurance business accounted for on an accident year basis			25	2324			2458
Claims incurred in reference period (21+22+23-24-25)				26	(47)			461
Claims incurred for classes 11, 12 or 13 (included in 26)				27				
Claims incurred for "actuarial health insurance" (included in 26)				28				
Sub-total E (26 +1/2 27 - 2/3 28)				29	(47)			461
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)				31	(16)			154
Division of sub-total F (gross adjusted claims amount)	x 0.26			32	(4)			40
	Excess (if any) over 37.2M EURO x 0.03			33				
Sub-total G (32-33)				39	(4)			40
Claims amount Sub-total G x reinsurance ratio (11.49)				41	(4)			38
Higher of premiums amount and brought forward amount (11.54)				42	30			30
General insurance capital requirement (higher of lines 41 and 42)				43	30			38

**Analysis of admissible assets**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	3002	GL	31	12	2007	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11				

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

**Other financial investments**

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43	6251	8500
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	
	More than one month withdrawal	55	
Other financial investments	56		
Deposits with ceding undertakings	57		
Assets held to match linked liabilities	Index linked	58	
	Property linked	59	

**Analysis of admissible assets**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	3002	GL	31	12	2007	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

**Reinsurers' share of technical provisions**

Provision for unearned premiums	60	
Claims outstanding	61	
Provision for unexpired risks	62	
Other	63	

**Debtors and salvage**

Direct insurance business	Policyholders	71	
	Intermediaries	72	
Salvage and subrogation recoveries		73	
Reinsurance	Accepted	74	
	Ceded	75	
Dependants	due in 12 months or less	76	
	due in more than 12 months	77	
Other	due in 12 months or less	78	231
	due in more than 12 months	79	

**Other assets**

Tangible assets	80	
Deposits not subject to time restriction on withdrawal with approved institutions	81	
Cash in hand	82	
Other assets (particulars to be specified by way of supplementary note)	83	
Accrued interest and rent	84	2
Deferred acquisition costs (general business only)	85	
Other prepayments and accrued income	86	

Deductions from the aggregate value of assets	87	
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	6484	8500
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**Analysis of admissible assets**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	3002	GL	31	12	2007	£000	1
					<b>As at end of this financial year</b>	<b>As at end of the previous year</b>	
					1	2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	6484	8500
Admissible assets in excess of market and counterparty limits	92	776	135000
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	7260	143500
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

**Liabilities (other than long term insurance business)**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007**

R15	Company registration number	GL/UK/CM	day month year			Units
			31	12	2007	
	<b>3002</b>	<b>GL</b>				<b>£000</b>
			As at end of this financial year			As at end of the previous year
			1			2

**Technical provisions (gross amount)**

Provisions for unearned premiums		<b>11</b>			
Claims outstanding		<b>12</b>		1771	2254
Provision for unexpired risks		<b>13</b>			
Equalisation provisions	Credit business	<b>14</b>			
	Other than credit business	<b>15</b>			155
Other technical provisions		<b>16</b>			
Total gross technical provisions (11 to 16)		<b>19</b>		1771	2408

**Provisions and creditors**

Provisions	Taxation	<b>21</b>			
	Other risks and charges	<b>22</b>			
Deposits received from reinsurers		<b>31</b>			
Creditors	Direct insurance business	<b>41</b>			
	Reinsurance accepted	<b>42</b>			
	Reinsurance ceded	<b>43</b>		71	71
Debenture loans	Secured	<b>44</b>			
	Unsecured	<b>45</b>			
Amounts owed to credit institutions		<b>46</b>			
Creditors	Taxation	<b>47</b>		2046	482
	Foreseeable dividend	<b>48</b>			
	Other	<b>49</b>			
Accruals and deferred income		<b>51</b>		2	
Total (19 to 51)		<b>59</b>		3890	2962
Provision for "reasonably foreseeable adverse variations"		<b>61</b>			
Cumulative preference share capital		<b>62</b>			
Subordinated loan capital		<b>63</b>			
Total (59 to 63)		<b>69</b>		3890	2962

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	<b>71</b>				
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Amounts deducted from technical provisions for discounting	<b>82</b>				
Other adjustments (may be negative)	<b>83</b>				
Capital and reserves	<b>84</b>			3370	140538
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	<b>85</b>			7260	143500

**Profit and loss account (non-technical account)**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	3002	GL	31	12	2007	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account	From Form 20	11	1726	1181				
	Equalisation provisions	12	155	200				
Transfer from the long term insurance business revenue account		13		4174				
Investment income	Income	14	2838	7150				
	Value re-adjustments on investments	15	485					
	Gains on the realisation of investments	16	12	12459				
Investment charges	Investment management charges, including interest	17		19				
	Value re-adjustments on investments	18		135000				
	Loss on the realisation of investments	19		10040				
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21	(3000)	(14552)				
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	2216	(134447)				
Tax on profit or loss on ordinary activities		31	1565	3107				
Profit or loss on ordinary activities after tax (29-31)		39	651	(137554)				
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	651	(137554)				
Dividends (paid or foreseeable)		51	137819	78600				
Profit or loss retained for the financial year (49-51)		59	(137168)	(216154)				

## General insurance business : Summary of business carried on

Name of insurer BA (GI) Limited

Global business

Financial year ended 31 December 2007

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	3002	GL	31	12	2007
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
			Reported	Incurred but not reported			
		1	2	3	4		
1	Total business	1		139	1000		
2	Total primary (direct) and facultative business	2		139	1000		
3	Total treaty reinsurance accepted business	3					

110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4				
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5				
160	Primary (direct) and facultative household and domestic all risks	6				
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7				
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8				
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9				
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10		139	1000	
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11				
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12				
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13				
350	Total primary (direct) and facultative goods in transit	14				
400	Miscellaneous primary (direct) and facultative business	15				
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16				
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17				
700	Miscellaneous treaty reinsurance accepted business	18				
	Total (lines 4 to 18)	20		139	1000	

## General insurance business : Summary of business carried on

Name of insurer **BA (GI) Limited**  
 Global business  
 Financial year ended **31 December 2007**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	3002	GL	31	12	2007
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
			Reported	Incurred but not reported			
		1	2	3	4		

## Primary (direct) and facultative personal lines business

111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23				
114	Personal accident or sickness	24				
121	Private motor - comprehensive	25				
122	Private motor - non-comprehensive	26				
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28				
181	Assistance	29				
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32				
185	Mortgage indemnity	33				
186	Pet insurance	34				
187	Other personal financial loss	35				

## Primary (direct) and facultative commercial lines business

221	Fleets	41				
222	Commercial vehicles (non-fleet)	42				
223	Motor other	43				
261	Commercial property	44				
262	Consequential loss	45				
263	Contractors or engineering all risks	46				
271	Employers liability	47		134	1000	
272	Professional indemnity	48				
273	Public and products liability	49		5		
274	Mixed commercial package	50				
281	Fidelity and contract guarantee	51				
282	Credit	52				
283	Suretyship	53				
284	Commercial contingency	54				

## Primary (direct) and facultative aviation

331	Aviation liability	61				
332	Aviation hull	62				
333	Space and satellite	63				



## General insurance business : Summary of business carried on

Name of insurer **BA (GI) Limited**  
 Global business  
 Financial year ended **31 December 2007**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	3002	GL	31	12	2007
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
		1	Reported	Incurred but not reported	3		4
			2	3			

## Primary (direct) and facultative marine and transport

341	Marine liability	64				
342	Marine hull	65				
343	Energy (on and off-shore)	66				
344	Protection and indemnity	67				
345	Freight demurrage and defence	68				
346	War risks	69				
347	Yacht	70				
350	Total primary (direct) and facultative goods in transit (equals line 14)	71				

## Primary (direct) and facultative miscellaneous

400	Miscellaneous primary (direct) and facultative business (equals line 15)	72				
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## Non-proportional treaty

510	Non-proportional accident and health	81				
520	Non-proportional motor	82				
530	Non-proportional aviation	83				
540	Non-proportional marine	84				
550	Non-proportional transport	85				
560	Non-proportional property	86				
570	Non-proportional liability (non-motor)	87				
580	Non-proportional financial lines	88				
590	Non-proportional aggregate cover	89				

## Proportional treaty

610	Proportional accident and health	91				
620	Proportional motor	92				
630	Proportional aviation	93				
640	Proportional marine	94				
650	Proportional transport	95				
660	Proportional property	96				
670	Proportional liability (non-motor)	97				
680	Proportional financial lines	98				
690	Proportional aggregate cover	99				

## Treaty Reinsurance Miscellaneous

700	Miscellaneous treaty reinsurance accepted business (equals line 18)	101				
	<b>Total (lines 21 to 101)</b>	<b>111</b>		<b>139</b>	<b>1000</b>	

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007****Total business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R20</b>	<b>3002</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2007</b>	<b>£000</b>	<b>001</b>
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year accounting)	Earned premium	(21.19.5)	11						
	Claims incurred	(22.17.4)	12						
	Claims management costs	(22.18.4)	13						
	Adjustment for discounting	(22.52.4)	14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16				1248	1211	
	Net operating expenses	(22.42.4)	17						
Balance of year's underwriting (11-12-13+14-15+16-17)		19				1248	1211		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	(21.11.5)	21						
	Claims incurred	(22.13.4)	22				(478)		
	Claims management costs	(22.14.4)	23						
	Adjustment for discounting	(22.51.4)	24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses	(22.41.4)	26					31	
Balance (21-22-23+24+25-26)		29				478	(31)		
Balance from underwriting year accounting	Per Form 24	(24.69.99-99)	31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				1726	1181	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				1726	1181	

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	3002	GL	31	12	2007	£000	002
Items to be shown net of reinsurance				This financial year				Previous year	
				1				2	
This year's underwriting (accident year accounting)	Earned premium (21.19.5)		11						
	Claims incurred (22.17.4)		12						
	Claims management costs (22.18.4)		13						
	Adjustment for discounting (22.52.4)		14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16				1248		1211
	Net operating expenses (22.42.4)		17						
Balance of year's underwriting (11-12-13+14-15+16-17)		19				1248		1211	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21						
	Claims incurred (22.13.4)		22				(478)		
	Claims management costs (22.14.4)		23						
	Adjustment for discounting (22.51.4)		24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses (22.41.4)		26						31
Balance (21-22-23+24+25-26)		29				478		(31)	
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)		31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				1726		1181
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				1726		1181

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007****Balance of all primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	3002	GL	31	12	2007	£000	409
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)		11						
	Claims incurred (22.17.4)		12						
	Claims management costs (22.18.4)		13						
	Adjustment for discounting (22.52.4)		14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16				1248	1211	
	Net operating expenses (22.42.4)		17						
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				1248	1211	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21						
	Claims incurred (22.13.4)		22				(478)		
	Claims management costs (22.14.4)		23						
	Adjustment for discounting (22.51.4)		24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses (22.41.4)		26					31	
	Balance (21-22-23+24+25-26)		29				478	(31)	
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)		31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				1726	1181	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				1726	1181	

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

Name of company **BA (GI) Limited**

Global business

Financial year ended **31 December 2007****Total business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	3002	GL	31	12	2007	£000	001
				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	1622	5	1139	(478)			
	Reinsurers' share	12	(71)	(71)					
	Net (11-12)	13	1693	76	1139	(478)			
	Claims management costs	14	632		632				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21							
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29							
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							
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

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

Name of company BA (GI) Limited

Global business

Financial year ended 31 December 2007

## Total primary (direct) and facultative business

		Company registration number	GL/UK/CM	day month year			Units	Category number	
		R22	3002	GL	31	12	2007	£000	002
				Amount brought forward from previous financial year	Amount payable/receivable in this financial year		Amount carried forward to next financial year	Amount attributable to this financial year	
				1	2		3	4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	1622	5		1139	(478)		
	Reinsurers' share	12	(71)	(71)					
	Net (11-12)	13	1693	76		1139	(478)		
	Claims management costs	14	632			632			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21							
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29							
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							
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

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

Name of company **BA (GI) Limited**

Global business

Financial year ended **31 December 2007****Balance of all primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	3002	GL	31	12	2007	£000	409
				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		1622			5	1139	(478)
	Reinsurers' share	12		(71)			(71)		
	Net (11-12)	13		1693			76	1139	(478)
	Claims management costs	14		632				632	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21							
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29							
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							
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

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

Name of insurer

BA (GI) Limited

Global business

Financial year ended 31 December 2007

Total business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		3002	GL	day month year			Units	Category number			
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)			31	12	2007			£000	001	
12	2007	11																		
12	2006	12																		
12	2005	13																		
12	2004	14																		
12	2003	15																		
12	2002	16	1690	842	289	5		5	715	(600)		10		11	12	13				
12	2001	17	1747	1090	910										15	(65.1)	13226.7			
12	2000	18	4330	2611	1747				145						10892	(27.5)	57.1			
12	1999	19	5095	1917	2126	71		71	60						13531	17.7	54.3			
12	1998	20	5312	2599	2817				60						13883	10.7	59.0			
Prior accident years						139	620	17	620	122										
Reconciliation																				
Total (11 to 22)						76	1000	93	7	(478)										



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

Name of insurer

BA (GI) Limited

Global business

Financial year ended 31 December 2007

**Total primary (direct) and facultative business**

Accident year ended	Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		3002	GL	day month year			Units	Category number
							Reported (net)	incurred but not reported (net)	Reported (net)	incurred but not reported (net)			31	12	2007		
			Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Reported (net)	incurred but not reported (net)	Reported (net)	incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %		
12	2007	11	1	2	3	4	5	6	7	8	9	10	11	12	13		
12	2006	12															
12	2005	13															
12	2004	14															
12	2003	15															
12	2002	16	1690	842	291	5	5		5				15	(94.8)	13240.0		
12	2001	17	1747	1090	911			115		715	(600)		5581	(5.9)	49.7		
12	2000	18	4330	2611	1751			145		145			10892	(27.4)	57.2		
12	1999	19	5095	1917	2124	71		60	71	60			13531	17.6	54.3		
12	1998	20	5312	2699	2394			60		60			13883	(5.6)	55.9		
Prior accident years							139	620	17	620	122						
Reconciliation																	
Total (11 to 22)					76		139	1000	93	1600	(478)						

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

Name of insurer

BA (GI) Limited

Global business

Financial year ended 31 December 2007

**Balance of all primary (direct) and facultative business**

Accident year ended	Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	day month year			Units	Category number	
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)			31	12	2007			£000
							5	6	7	8	3002	GL	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %				
	12	2007	11														409	
	12	2006	12															
	12	2005	13															
	12	2004	14															
	12	2003	15															
	12	2002	16			5						10			15	(64.8)	13240.0	
	12	2001	17				115			715	(600)				5581	(5.9)	49.7	
	12	2000	18				145			145					10892	(27.4)	57.2	
	12	1999	19			71	60			60					13631	17.6	54.3	
	12	1998	20				60			60					13883	(5.6)	55.9	
		Prior accident years	21				139	620	17	620	122							
		Reconciliation	22															
		Total (11 to 22)	29			76	139	1000	93	0	(478)							

**Equalisation provisions**Name of insurer **BA (GI) Limited**

Global business

Financial year ended **31 December 2007**

	R37	3002	GL	Company registration number		GLJ UK/ CIM		day month year		Units
				Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)	31	12	2007	
				Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)	All business groupings	Credit insurance business
				1	2	3	4	5	6	7
<b>Calculation of the maximum provision</b>										
	11									
Total net premiums written in the previous 4 years										
Net premiums written in the current year	12									
Maximum provision	13									

**Calculation of the transfer to/from the provision**

Equalisation provision brought forward									155	
Transfers in	22									
Total abnormal loss	23									
Provisional transfers out	24									
Excess of provisional transfer out over fund available	25									
Provisional amount carried forward (21+22-24+25)	26								155	
Excess, if any, of 26 over 13	27								155	
Equalisation provision carried forward (26-27)	28									
Transfer m/(out) for financial year (28-21)	29								(155)	

## Returns under the Accounts and Statements Rules

### Supplementary Notes

#### BA (GI) Limited

#### Global business

Financial year ended 31 December 2007

### Notes to Appendix 9.1

#### 0103 Company name change

On 14 May 2007 the company name changed from Britannic Assurance Public Limited Company to BA (GI) Limited.

#### 0204 Change of permissions

From 22 January 2007, the Company was no longer authorised to undertake long term insurance business and therefore all long term insurance business Forms have been omitted.

#### 0301 Reconciliation of net admissible assets to total capital resources after deductions

	2007	2006
	£'000	£'000
Admissible assets – Form 13 line 89	6,484	8,500
Less liabilities - Form 15 line 69	(3,890)	(2,962)
Net admissible assets	<u>2,594</u>	<u>5,538</u>
Capital resources after deductions – Form 3 line 79	<u>2,594</u>	<u>5,538</u>

#### 0313 Reconciliation of the movement in profit and loss account and other reserves

	2007
	£'000
Profit and loss account and other reserves – Form 3 line 12 column 4	140,488
Profit and loss account and other reserves – Form 3 line 12 column 3	3,320
Movement	<u>(137,168)</u>
Represented by:	
Profit or loss retained for the financial year – Form 16 line 59	<u>(137,168)</u>

#### 1305 Maximum counterparty limits

The investment guidelines in force during the year state that exposure to any one counterparty shall be subject to the following upper limits:-

- (i) Exposure (excluding short term deposits) to any counterparty to be not more than 5% of the business amount.
- (ii) Exposure (including short term deposits) to any approved counterparty to be not more than 10% of the business amount.

## Returns under the Accounts and Statements Rules

### Supplementary Notes

#### BA (GI) Limited

#### Global business

Financial year ended 31 December 2007

### Notes to Appendix 9.2

#### 20Ae Category 002 facultative reinsurance business

The Company has no facultative reinsurance business included in Form 20A.

#### 20Ag Analysis of gross premium written

There have been no premiums written during 2007.

#### 20Aj No new contracts effected

The Company has not transacted any new contracts under any of the authorisation classes. The date of the last contracts effected is 30 September 1996 for authorisation classes 2 and 8, 30 June 2000 for authorisation class 1, and 31 December 2002 for authorisation class 6.

#### 2005 Other technical income and charges

The amount of £1,248,000 arises from income received from a co-insurance venture which utilised the Company's portfolio of property insurance policies which the Company had previously underwritten.

#### 2007 Material connected party transactions

On 27 April 2007, Resolution Life Limited, one of the Company's intermediate holding companies, repaid a loan to the Company of £135 million. During 2007 the Company received interest on this loan of £2,819,000. An amount of £137.8 million was then paid as a dividend to Resolution Life Limited.

#### 2100 Premiums

Form 21 has been omitted because all entries (including comparatives) are blank.

#### 2102 Unearned premiums

There were no unearned premiums during the year

#### 2202 Claims management expenses

Claims management costs only comprise of administration expenses.

Claims Management costs carried forward represent the relevant amount considered appropriate for the run-off of the pre 2000 book of business. This refers to those claims occurring on or before 31 December 2002 still remaining the responsibility of BA (GI) Limited. For the post 2000 book no claims management costs are carried forward, as this business exists as a direct result of the co-insurance venture of the property book, for which claims management has been outsourced and payment on each case is made in advance.

**Returns Under the Accounts and Statements Rules**

**Statement of major treaty reinsurers required by rule 9.25**

**BA (GI) Limited**

**Global business**

**Financial year ended 31 December 2007**

Reinsurer's details  As required by Rule 9.25: (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 F15 L75  (Para 1(d)) £000	Deposits received included at F15 L31  (Para 1(e)) £000	Anticipated recoveries  (Para 1(f)) £000	Comments
Swiss Reinsurance Company UK Limited 71-77 Leadenhall Street London EC31 2PQ UK	None	Nil	Nil	Nil	Nil	Nil	Nil
The Cologne Reinsurance Company Limited Cologne House 13 Haydon Street London EC3A 3HA UK	None	Nil	Nil	Nil	Nil	Nil	Nil

**Returns under the Accounts and Statements Rules**

**Statement of major facultative reinsurers required by rule 9.26**

**BA (GI) Limited**

**Global business**

**Financial year ended 31 December 2007**

The Company has no major facultative reinsurer.

**Returns under the Accounts and Statements Rules**

**Statement of major general business reinsurance cedants required by rule 9.27**

**BA (GI) Limited**

**Global business**

**Financial year ended 31 December 2007**

The Company has no major reinsurance cedants.



**Returns under the Accounts and Statements Rules**

**Statement of additional information on derivative contracts required by rule 9.29**

**BA (GI) Limited**

**Global business**

**Financial year ended 31 December 2007**

The Company has not entered into any derivative contracts during the financial year.

## Returns under the Accounts and Statements Rules

### Statement of additional information on controllers required by rule 9.30

#### BA (GI) Limited

#### Global business

#### Financial year ended 31 December 2007

(1) The persons who, to the knowledge of the Company, were controllers at any time during the financial year were:

- (a) Resolution Life Limited;
- (b) Resolution Life Group Limited (ceased to be controller on 17 May 2007);
- (c) Resolution Plc;
- (d) Pearl Assurance plc;
- (e) Pearl Group Limited;
- (f) Sun Capital Investments Limited;
- (g) Hera Investments One Limited;
- (h) Xercise Limited;
- (i) Jambright Limited;
- (j) Hugh Osmond, Alan McIntosh, Matthew Allen, Edward Spencer-Churchill, Marc Jonas;
- (k) TDR Capital Nominees Limited; and
- (l) TDR Capital LLP.

(2) The persons who, to the knowledge of the Company, were controllers at the end of the financial year were:

- (a) Resolution Life Limited

Resolution Life Limited owned 100% of the ordinary share capital of BA (GI) Limited, and was able to exercise 100% of the voting power at any general meeting.

- (b) Resolution plc

Resolution plc owned 100% of the ordinary shares of Resolution Life Limited, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 100% of the voting power at any general meeting.

- (c) Pearl Assurance plc

Pearl Assurance plc owned 20.13% of the ordinary share capital of Resolution plc, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 20.13% of the voting power at any general meeting.

- (d) Pearl Group Limited

Pearl Group Limited owned 100% of the ordinary share capital of Pearl Assurance plc and 5.79% of the ordinary share capital of Resolution plc, a company of which BA (GI) Limited is a subsidiary undertaking, and was able to exercise 25.92% of the voting power at any general meeting.

- (e) Sun Capital Investments Limited

Sun Capital Investments Limited owned 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which BA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

## Returns under the Accounts and Statements Rules

### Statement of additional information on controllers required by rule 9.30

#### BA (GI) Limited

#### Global business

#### Financial year ended 31 December 2007

#### (Controllers at the end of the financial year - continued)

(f) Hera Investments One Limited

Hera Investments One Limited owned 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which BA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

(g) Xercise Limited

Sun Capital Investments Limited, which is an associate of Xercise Limited within the meaning of section 422 of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which BA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

(h) Jambright Limited

Hera Investments One Limited which is an associate of Jambright Limited within the meaning of section 422 of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which BA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

(i) Hugh Osmond, Alan McIntosh, Matthew Allen, Edward Spencer-Churchill, Marc Jonas

Hugh Osmond, Alan McIntosh and Matthew Allen, together with Edward Spencer-Churchill and Marc Jonas, who were associates of Hugh Osmond and Alan McIntosh within the meaning of section 422 of the Financial Services and Markets Act 2000 by virtue of being partners, jointly owned 79.2% of the ordinary shares of Xercise Limited and were able to exercise 79.2% of the voting power at any general meeting.

Sun Capital Investments Limited is a subsidiary undertaking of Xercise Limited and owns 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which BA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

(j) TDR Capital Nominees Limited

TDR Capital Nominees Limited acted as nominee for the TDR funds, which own 89.4% of the ordinary shares of Jambright Limited and were able to exercise 89.4% of the voting power at any general meeting. Hera Investments One Limited is a subsidiary undertaking of Jambright Limited and owns 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which BA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

**Returns under the Accounts and Statements Rules**

**Statement of additional information on controllers required by rule 9.30**

**BA (GI) Limited**

**Global business**

**Financial year ended 31 December 2007**

**(Controllers at the end of the financial year – continued)**

(k) TDR Capital LLP

TDR Capital Nominees Limited, which is an associate of TDR Capital LLP within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, acted as nominee for the TDR funds, which own 89.4% of the ordinary shares of Jambright Limited and were able to exercise 89.4% of the voting power at any general meeting. Hera Investments One Limited is a subsidiary undertaking of Jambright Limited and owns 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which BA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

**Returns under the Accounts and Statements Rules**

**Statement required by rule 9.32**

**BA (GI) Limited**

**Global business**

**Financial year ended 31 December 2007**

There has been no contract of insurance entered into or modified during the financial year under which general insurance business has been ceded by the insurer on a non facultative basis.

All policy terms had expired prior to the start of the present financial year, and there was therefore no maximum net probable loss arising in respect of exposure in 2007".

There were no reinsurance premiums payable during the financial year.

**Returns under the Accounts and Statements Rules**

**Statement of additional information on general financial reinsurance and financing arrangements required by rule 9.32A**

**BA (GI) Limited**

**Global business**

**Financial year ended 31 December 2007**

The directors' are not aware of any financial reinsurance or financing arrangements in force during the year.

**Returns under the Accounts and Statements Rules**

**Certificate required by rule 9.34(1)**

**BA (GI) Limited**

**Global business**

**Financial year ended 31 December 2007**

We certify that:

- (1) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU, and INSPRU; and
- (2) we are satisfied that:
  - (i) throughout the financial year, the insurer has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
  - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.

R P STOCKTON

J A NEWMAN

I G MAIDENS

.....  
Director

.....  
Director

.....  
Director

**26 March 2008**

## **Return under the Accounts and Statements Rules**

### **Independent auditors' report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers**

#### **BA (GI) Limited**

**Financial year ended 31 December 2007**

#### **Global business**

We have examined the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Chapter 9 of IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 1, 3, 11 to 13, 15, 16, 20A, 20, 22, 23 and 37 (including the supplementary notes ("the Forms")); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 and 9.29 ("the statements").

We are not required to examine and do not express an opinion on the following:

- the statements required by IPRU(INS) rules 9.30, 9.32 and 9.32A ; and
- the certificate signed in accordance with IPRU(INS) rule 9.34(1).

This report is made solely to the insurer's directors, in accordance with IPRU(INS) rule 9.35. Our examination has been undertaken so that we might state to the insurer's directors those matters we are required by the Rules to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the insurer for our examination, for this report, or for the opinion we have formed.

#### **Respective responsibilities of the insurer and its auditors**

The insurer is responsible for the preparation of an annual return (including the Forms and the statements) under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms and the 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 the statements meet these requirements, and to report our opinion to you. We are also required to report to you if, in our opinion, the insurer has not kept proper accounting records or if we have not received all the information we require for our examination.

#### **Basis of opinion**

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (revised)' 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 the statements. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year on which we reported on 28 March 2008. It also included an assessment of the significant estimates and judgments made by the insurer in the preparation of the Forms and the statement.



**Return under the Accounts and Statements Rules**

**Independent auditors' report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers**

**BA (GI) Limited**

**Financial year ended 31 December 2007**

**Global business**

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 the statement are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with IPRU(INS) rule 9.11.

**Opinion**

In our opinion the Forms and the statements fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules.

Ernst & Young LLP  
Registered Auditor  
London

Date: 28 March 2008

**BA (GI) Limited**  
**Year Ended 31 December 2007**  
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