

UK Insurance Limited

Annual FSA Insurance Returns for the year ended

31 December 2009

IPRU(INS) Appendices 9.1, 9.2, 9.5, 9.6

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Statement of solvency - general insurance businessName of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Solo solvency calculation

R1	Company registration number	GL/UK/CM	day month year			Units
			31	12	2009	£000
			As at end of this financial year			As at end of the previous year
			1			2

Capital resources

Capital resources arising outside the long-term insurance fund	11	734956	617161
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover general insurance business capital resources requirement (11-12)	13	734956	617161

Guarantee fund

Guarantee fund requirement	21	71472	71472
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	663483	545689

Minimum capital requirement (MCR)

General insurance capital requirement	31	214417	214417
Base capital resources requirement	33	3128	2518
Individual minimum capital requirement	34	214417	214417
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	214417	214417
Excess (deficiency) of available capital resources to cover 50% of MCR	37	627747	509952
Excess (deficiency) of available capital resources to cover 75% of MCR	38	574143	456348

Capital resources requirement (CRR)

Capital resources requirement	41	214417	214417
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	520539	402744

Contingent liabilities

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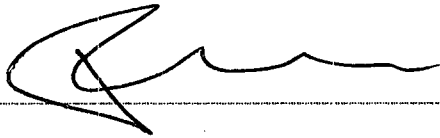
Covering Sheet to Form 1

Form 1

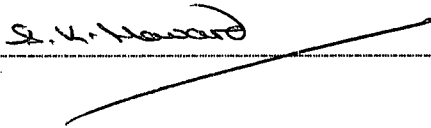
Name of insurer **UK Insurance Limited**

Global business


Financial year ended **31 December 2009**

A handwritten signature in black ink, appearing to be 'S. V. Howard', written above a horizontal dashed line.

Director

A handwritten signature in black ink, appearing to be 'S. V. Howard', written above a horizontal dashed line.

Director

A handwritten signature in black ink, appearing to be 'L. Long', written above a horizontal dashed line.

Director

18 March 2010

Components of capital resourcesName of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

R3	Company registration number	GL/UK/CM	day month year			Units
			31	12	2009	
	1179980	GL				£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	

Core tier one capital

Permanent share capital	11	580765		580765	533099
Profit and loss account and other reserves	12	187031		187031	124009
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	767796		767796	657108

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				47666
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

Total tier one capital before deductions (19+24+25+26+27+28)	31	767796		767796	704773
Investments in own shares	32				
Intangible assets	33	2193		2193	2507
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35	15828		15828	7961
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37	18021		18021	10468
Total tier one capital after deductions (31-37)	39	749775		749775	694306

Components of capital resources

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

R3	Company registration number	GL/UK/CM	day month year			Units
			31	12	2009	
	1179980	GL				£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	

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				
Upper tier two capital (44 to 47)	49				

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

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

Components of capital resourcesName of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

	Company registration number	GL/UK/CM	day month year			Units	
	R3	1179980	GL	31	12	2009	£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				
Total capital resources before deductions (39+69+71)	72	749775		749775	694306
Inadmissible assets other than intangibles and own shares	73	5086		5086	44365
Assets in excess of market risk and counterparty limits	74	9733		9733	32780
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79	734956		734956	617161

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	734956		734956	617161
Available capital resources for 50% MCR requirement	82	734956		734956	617161
Available capital resources for 75% MCR requirement	83	734956		734956	617161

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				
Sum of financial engineering adjustments (91+92-93+94+95)	96				

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

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

General insurance business

		Company registration number	GL/UK/CM	day month year			Units	
		R11	1179980	GL	31	12	2009	£000
		This financial year					Previous year	
		1					2	
Gross premiums written		11	1167417					1196436
Premiums taxes and levies (included in line 11)		12						
Premiums written net of taxes and levies (11-12)		13	1167417					1196436
Premiums for classes 11, 12 or 13 (included in line 13)		14						
Premiums for "actuarial health insurance" (Included in line 13)		15						
Sub-total A (13 + 1/2 14 - 2/3 15)		16	1167417					1196436
Gross premiums earned		21	1257621					1250034
Premium taxes and levies (included in line 21)		22						
Premiums earned net of taxes and levies (21-22)		23	1257621					1250034
Premiums for classes 11, 12 or 13 (included in line 23)		24						
Premiums for "actuarial health insurance" (included in line 23)		25						
Sub-total H (23 + 1/2 24 - 2/3 25)		26	1257621					1250034
Sub-total I (higher of sub-total A and sub-total H)		30	1257621					1250034
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure		31						
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18	32	226372					225006
	Excess (if any) over 57.5M EURO x 0.02	33	24125					24165
Sub-total J (32-33)		34	202247					200841
Claims paid in period of 3 financial years		41	2782370					2732798
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42						
	For insurance business accounted for on an accident year basis	43	1404088					1324628
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis	44						
	For insurance business accounted for on an accident year basis	45	1346763					1154793
Sub-total C (41+42+43-44-45)		46	2839696					2902633
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	107593					123373
Sub-total D (46-47)		48	2732103					2779261
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)		49	0.96					0.96
Premiums amount (Sub-total J x reinsurance ratio)		50	194584					192305
Provision for claims outstanding (before discounting and net of reinsurance)		51	1212737					1187221
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero		52						
Brought forward amount (See Instruction 4)		53	214417					214417
Greater of lines 50 and 53		54	214417					214417

Calculation of general insurance capital requirement - claims amount and resultName of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units
		R12	GL	31	12	2009	£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	2782370		2732798	
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	1404088		1324628	
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	1346763		1154793	
Claims incurred in reference period (21+22+23-24-25)			26	2839696		2902633	
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	2839696		2902633	
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	946565		967544	
Division of sub-total F (gross adjusted claims amount)	x 0.26		32	246107		251562	
	Excess (if any) over 40.3M EURO x 0.03		33	27316		28148	
Sub-total G (32-33)			39	218791		223413	
Claims amount Sub-total G x reinsurance ratio (11.49)			41	210501		213918	
Higher of premiums amount and brought forward amount (11.54)			42	214417		214417	
General insurance capital requirement (higher of lines 41 and 42)			43	214417		214417	

Analysis of admissible assetsName of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**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	1179980	GL	31	12	2009	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11		766	789	

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	62120	28182
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		
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	598066	58777
	Other	46	653225	495715
Variable interest securities	Approved	47	95207	
	Other	48	376750	489735
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	120285	313030
	More than one month withdrawal	55	387970	813322
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Analysis of admissible assetsName of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**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	1179980	GL	31	12	2009	£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	20359	24576
Claims outstanding	61	143001	137407
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	320400	320341
	Intermediaries	72	9315	8810
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	10426	8758
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	5379	15304
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83	6866	
Accrued interest and rent	84	2599	10757
Deferred acquisition costs (general business only)	85	71511	63058
Other prepayments and accrued income	86	27849	27761

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	2912094	2816320
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Analysis of admissible assetsName of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**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	1179980	GL	31	12	2009	£000	1
						As at end of this financial year	As at end of the previous year
						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	2912094	2816320
Admissible assets in excess of market and counterparty limits	92	9733	32780
Inadmissible assets directly held	93	7280	46872
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		(8244)
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	2929106	2887728
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 **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

R15	Company registration number	GL/UK/CM	day month year			Units
			31	12	2009	
	1179980	GL				£000
			As at end of this financial year			As at end of the previous year
			1			2

Technical provisions (gross amount)

Provisions for unearned premiums	11	582694	672898
Claims outstanding	12	1355738	1324628
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	7961
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19	1954259	2005487

Provisions and creditors

Provisions	Taxation	21	6061	2227
	Other risks and charges	22	50420	36364
Deposits received from reinsurers	31			
Creditors	Direct insurance business	41	32628	20286
	Reinsurance accepted	42		
	Reinsurance ceded	43	22010	22153
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46	541	22941	
Creditors	Taxation	47		4374
	Foreseeable dividend	48		
	Other	49	92164	77660
Accruals and deferred income	51	19055	9544	
Total (19 to 51)	59	2177137	2201036	
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69	2177137	2201036	

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
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Amounts deducted from technical provisions for discounting	82		10119
Other adjustments (may be negative)	83	(15827)	(7961)
Capital and reserves	84	767796	704773
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)	85	2929106	2887728

Profit and loss account (non-technical account)Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	1179980	GL	31	12	2009	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account	From Form 20		11			(69131)	(11126)	
	Equalisation provisions		12			(7866)	(7294)	
Transfer from the long term insurance business revenue account			13					
Investment income	Income		14			110813	174826	
	Value re-adjustments on investments		15			16515		
	Gains on the realisation of investments		16			5235		
Investment charges	Investment management charges, including interest		17			259	1234	
	Value re-adjustments on investments		18				22296	
	Loss on the realisation of investments		19				7971	
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			17500	17500	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29			72807	142405	
Tax on profit or loss on ordinary activities			31			17652	50767	
Profit or loss on ordinary activities after tax (29-31)			39			55155	91637	
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			55155	91637	
Dividends (paid or foreseeable)			51				50000	
Profit or loss retained for the financial year (49-51)			59			55155	41637	

General insurance business : Summary of business carried on

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Category number	FSA return general insurance business reporting category	R20A	Company registration number 1179980	GL/UK/CM GL	day month year			units £000
					31	12	2009	
			Gross Premium written in this financial year 1	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 4		
				Reported 2	Incurred but not reported 3			
1	Total business	1	1167417	888405	497919	582694		
2	Total primary (direct) and facultative business	2	1160211	888104	497919	579544		
3	Total treaty reinsurance accepted business	3	7206	302		3150		
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4	65733	9749	10486	5881		
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	540252	758119	288785	262700		
160	Primary (direct) and facultative household and domestic all risks	6	279295	77967	36723	145765		
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	274932	42269	161926	165198		
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						
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	7206	302		3150		
700	Miscellaneous treaty reinsurance accepted business	18						
	Total (lines 4 to 18)	20	1167417	888405	497919	582694		

General Insurance business : Summary of business carried on

Name of insurer UK Insurance Limited

Global business

Financial year ended 31 December 2009

Category number	FSA return general insurance business reporting category	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

Company registration number	GL/UK/CM	day month year			units	
R20A	1179980	GL	31	12	2009	£000

Primary (direct) and facultative personal lines business

111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23	65733	9749	10486	5881
114	Personal accident or sickness	24				
121	Private motor - comprehensive	25	485464	569314	235614	235839
122	Private motor - non-comprehensive	26	54787	188805	53171	26861
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28	279295	77967	36723	145765
181	Assistance	29	103312	593	173	25669
182	Creditor	30	29444	16288	136802	116640
183	Extended warranty	31				
184	Legal expenses	32	42452	12499	8408	20809
185	Mortgage indemnity	33				
186	Pet insurance	34	99724	12888	16543	2081
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				
272	Professional indemnity	48				
273	Public and products liability	49				
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 onName of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
				R20A	1179980	GL	
				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	
				Gross Premium written in this financial year	Reported	Incurred but not reported	
				1	2	3	4

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	7206	302		3150
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				
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	Total (lines 21 to 101)	111	1167417	888405	497919	582694
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General insurance business : Technical account (excluding equalisation provisions)Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009****Total business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		R20	1179980	GL	31	12	2009	£000	001
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	1220477	1208373					
	Claims incurred (22.17.4)	12	981474	905576					
	Claims management costs (22.18.4)	13	36784	36395					
	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							
	Net operating expenses (22.42.4)	17	351896	365300					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(149676)	(98897)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(98496)	(107111)					
	Claims management costs (22.14.4)	23	22645	21215					
	Adjustment for discounting (22.51.4)	24	4693	1875					
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
	Balance (21-22-23+24+25-26)	29	80544	87771					
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	(69131)	(11126)					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	(69131)	(11126)					

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

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	1179980	GL	31	12	2009	£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	1213352		1199265				
	Claims incurred (22.17.4)	12	978577		902199				
	Claims management costs (22.18.4)	13	36784		36390				
	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							
	Net operating expenses (22.42.4)	17	349139		362965				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(151148)		(102288)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(98524)		(107780)				
	Claims management costs (22.14.4)	23	22642		21240				
	Adjustment for discounting (22.51.4)	24	4693		1875				
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
	Balance (21-22-23+24+25-26)	29	80575		88414				
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	(70573)		(13874)				
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	(70573)		(13874)				

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

Global business

Financial year ended **31 December 2009****Total treaty reinsurance accepted business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	1179980	GL	31	12	2009	£000	003
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	7125		9108				
	Claims incurred (22.17.4)	12	2897		3377				
	Claims management costs (22.18.4)	13	(0)		5				
	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							
	Net operating expenses (22.42.4)	17	2757		2335				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	1473		3391				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	28		669				
	Claims management costs (22.14.4)	23	3		(25)				
	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							
	Balance (21-22-23+24+25-26)	29	(31)		(644)				
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	1442		2748				
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	1442		2748				

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

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative accident and health**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	1179980	GL	31	12	2009	£000	110
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	65491	69714					
	Claims incurred (22.17.4)	12	43330	49002					
	Claims management costs (22.18.4)	13	4979	4063					
	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							
	Net operating expenses (22.42.4)	17	13180	15324					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	4002	1326					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(9686)	(8337)					
	Claims management costs (22.14.4)	23	470	218					
	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							
	Balance (21-22-23+24+25-26)	29	9216	8118					
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	13218	9444					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	13218	9444					

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

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative personal lines motor business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	1179980	GL	31	12	2009	£000	120
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	531219	582933					
	Claims incurred (22.17.4)	12	533011	529179					
	Claims management costs (22.18.4)	13	18161	19011					
	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							
	Net operating expenses (22.42.4)	17	136626	166446					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(156579)	(131703)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(62166)	(73322)					
	Claims management costs (22.14.4)	23	12004	10412					
	Adjustment for discounting (22.51.4)	24	4693	1875					
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
	Balance (21-22-23+24+25-26)	29	54855	64785					
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	(101724)	(66918)					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	(101724)	(66918)					

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

Global business

Financial year ended **31 December 2009****Primary (direct) and facultative household and domestic all risks**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	1179980	GL	31	12	2009	£000	160
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	247544		238725				
	Claims incurred (22.17.4)	12	174623		149378				
	Claims management costs (22.18.4)	13	7910		6926				
	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							
	Net operating expenses (22.42.4)	17	93313		86640				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(28302)		(4220)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(17542)		(25998)				
	Claims management costs (22.14.4)	23	5640		5103				
	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							
	Balance (21-22-23+24+25-26)	29	11901		20895				
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	(16400)		16675				
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	(16400)		16675				

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

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative personal lines financial loss business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	1179980	GL	31	12	2009	£000	180
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	369097	307893					
	Claims incurred (22.17.4)	12	227613	174640					
	Claims management costs (22.18.4)	13	5734	6390					
	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							
	Net operating expenses (22.42.4)	17	106020	94554					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	29730	32309					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(9131)	(123)					
	Claims management costs (22.14.4)	23	4528	5507					
	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							
	Balance (21-22-23+24+25-26)	29	4603	(5384)					
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	34333	26925					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	34333	26925					

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

Global business

Financial year ended **31 December 2009****Balance of all treaty reinsurance accepted business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	1179980	GL	31	12	2009	£000	709
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				7125	9108	
	Claims incurred	(22.17.4)	12				2897	3377	
	Claims management costs	(22.18.4)	13				(0)	5	
	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						
	Net operating expenses	(22.42.4)	17				2757	2335	
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				1473	3391	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	(21.11.5)	21						
	Claims incurred	(22.13.4)	22				28	669	
	Claims management costs	(22.14.4)	23				3	(25)	
	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						
	Balance (21-22-23+24+25-26)		29				(31)	(644)	
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				1442	2748	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				1442	2748	

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

Name of insurer

UK Insurance Limited

Global business

Financial year ended

31 December 2009

Total business

	R21	Company registration number	GL/UK/CM	day month year			Units	Category number
				GL	31	12		
Premiums receivable during the financial year	Gross premiums written		Reinsurers' share		Net of reinsurance			
	Earned in previous financial years 1	1179980	Earned in previous financial years 3	Earned in previous financial years 5	Earned in this financial year	Earned in this financial year	Unearned at end of this financial year	
In respect of risks incepted in previous financial years	11							
In respect of risks incepted in previous financial years	12							
In respect of risks incepted in this financial year	For periods of less than 12 months	72023	128	0	71895	2778	2778	
	For periods of 12 months	664619	12441	20359	652178	463389	443030	
	For periods of more than 12 months	31119	51333		31119	51333	51333	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	607705	24576		583129	65193	65193	
Total (12 to 16)	19	1257621	37144	20359	1220477	582694	562335	

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

Name of insurer

UK Insurance Limited

Global business

Financial year ended

31 December 2009

Total primary (direct) and facultative business

	Company registration number	GL/UK/CM	day month year			Units	Category number
			31	12	2009		
R21	1179980	GL	31	12	2009	£000	002
	Gross premiums written	Reinsurers' share	Net of reinsurance				
	Earned in previous financial years 1	Earned in previous financial years 3	Earned in previous financial years 5				
11							
In respect of risks incepted in previous financial years	Earned in this financial year 1	Earned in this financial year 3	Earned in this financial year 5	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6	
	(117844)				(117844)		
12							
In respect of risks incepted in previous financial years	72023	128		0	71895	2778	
For periods of less than 12 months							
13							
In respect of risks incepted in this financial year	660564	12441		20359	648123	439880	
For periods of 12 months							
14							
In respect of risks incepted in previous financial years	31118				31118	51333	
For periods of more than 12 months							
15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	604636	24576			580060	65193	
16							
Total (12 to 16)	1250496	37144		20359	1213352	559185	
19							

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

Name of insurer **UK Insurance Limited**

Global business

Financial year ended

31 December 2009

Total treaty reinsurance accepted business

	R21	Company registration number	GL/UKI/CW	day month year			Units	Category number
				GL	12	2009		
		1179980	GL	31	12	2009	£000	003
		Gross premiums written		Reinsurers' share			Net of reinsurance	
		Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Unearned at end of this financial year
		1	3	3	5	5	5	6
Premiums receivable during the financial year								
In respect of risks incepted in previous financial years	11							
		Earned in this financial year	Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Earned in this financial year	Earned in this financial year	Unearned at end of this financial year
		1	3	2	5	4	5	6
In respect of risks incepted in previous financial years	12							
In respect of risks incepted in this financial year								
For periods of less than 12 months	13							
For periods of 12 months	14	4055	3150				4055	3150
For periods of more than 12 months	15	1					1	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	3069					3069	
Total (12 to 16)	19	7125	3150				7125	3150

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

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total primary (direct) and facultative accident and health

	Company registration number	GL/UK/CM	day month year			Units	Category number
			31	12	2009		
R21	1179980	GL	31	12	2009	£000	110
			Gross premiums written			Net of reinsurance	
			Earned in previous financial years 1	Earned in previous financial years 3	Earned at end of this financial year	Earned in previous financial years 5	Unearned at end of this financial year
Premiums receivable during the financial year							
In respect of risks incepted in previous financial years			11				
			Earned in this financial year 1	Earned in this financial year 3	Unearned at end of this financial year	Earned in this financial year 5	Unearned at end of this financial year 6
In respect of risks incepted in previous financial years			12				
In respect of risks incepted in this financial year							
For periods of less than 12 months			8461	125	0	8336	276
For periods of 12 months			50055	336	(0)	49719	5604
For periods of more than 12 months							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year.			6100			6100	
Total (12 to 16)			65953	461		65491	5881

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

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total primary (direct) and facultative personal lines motor business

	R21	Company registration number	GL/UK/CM	day month year			Units	Category number
				GL	31	12		
		Gross premiums written	Reinsurers' share	Earned in previous financial years		Net of reinsurance		
		1	3	5	5	5	6	
Premiums receivable during the financial year								
In respect of risks incepted in previous financial years	11							
		Earned in this financial year	Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Earned in this financial year	Unearned at end of this financial year	
		1	3	2	4	5	6	
		(4651)				(4651)		
In respect of risks incepted in previous financial years	12							
In respect of risks incepted in this financial year	13							
For periods of less than 12 months								
For periods of 12 months	14	282203	8197	262700	7357	274006	255343	
For periods of more than 12 months	15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	273390	11526			261865		
Total (12 to 16)	19	550942	19723	262700	7357	531219	255343	

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

Name of insurer

UK Insurance Limited

Global business

Financial year ended

31 December 2009

Primary (direct) and facultative household and domestic all risks

	Company registration number	GL/UK/CM	day month year			Units	Category number
			31	12	2009		
R21	1179980	GL	31	12	2009	£000	160
Premiums receivable during the financial year	Gross premiums written	Reinsurers' share	Earned in previous financial years		Net of reinsurance	Earned in this financial year	Unearned at end of this financial year
			1	3			
11	Earned in this financial year	Earned in this financial year	Unearned at end of this financial year	Unearned at end of this financial year	Earned in this financial year	Earned in this financial year	Unearned at end of this financial year
	1	3	4	5	5	5	6
12	(5169)				(5169)		
13							
14	138698	4087	13002	13002	134611	132763	
15							
16	130951	12849			118102		
19	264481	16936	13002	13002	247544	132763	

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

Name of insurer

UK Insurance Limited

Global business

Financial year ended

31 December 2009

Total primary (direct) and facultative personal lines financial loss business

	Company registration number		GL/UK/CM		day month year			Units	Category number
	R21	1179980	GL	31	12	2009	£000		
Premiums receivable during the financial year	Gross premiums written		Reinsurers' share					Net of reinsurance	
	Eamed in previous financial years 1		Eamed in previous financial years 3				Eamed in previous financial years 5		
In respect of risks incepted in previous financial years	11								
	Eamed In this financial year 1	Unearned at end of this financial year 2	Eamed In this financial year 3	Unearned at end of this financial year 4			Eamed In this financial year 5	Unearned at end of this financial year 6	
In respect of risks incepted in previous financial years	12	(109361)					(109361)		
In respect of risks incepted in this financial year	13	63562	3				63559	2501	
For periods of less than 12 months	14	189607	(180)				189787	46170	
For periods of more than 12 months	15	31118					31118	51333	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	194194	201				193993	65193	
Total (12 to 16)	19	369121	24				369097	165198	

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

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Balance of all treaty reinsurance accepted business

	R21	Company registration number	GL/UK/CM	day month year			Units	Category number
				31	12	2009		
Premiums receivable during the financial year		1179980	GL			£000	709	
		Gross premiums written	Reinsurers' share	Net of reinsurance				
		Earned in previous financial years 1	Earned in previous financial years 3	Earned in previous financial years 5	Unearned at end of this financial year			
In respect of risks incepted in previous financial years	11							
		Earned in this financial year 1	Earned in this financial year 3	Earned in this financial year 5	Unearned at end of this financial year 6			
In respect of risks incepted in previous financial years	12							
In respect of risks incepted in this financial year								
For periods of less than 12 months	13							
For periods of 12 months	14	4055		4055		3150		
For periods of more than 12 months	15	1		1				
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	3069		3069				
Total (12 to 16)	19	7125		7125		3150	3150	

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

Name of company **UK Insurance Limited**

Global business

Financial year ended **31 December 2009****Total business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	1179980	GL	31	12	2009	£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	1308332		426436		839115	(42781)	
	Reinsurers' share	12	137407		17790		175332	55715	
	Net (11-12)	13	1170925		408645		663784	(98496)	
	Claims management costs	14	16296		25291		13650	22645	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			443714		547209	990923	
	Reinsurers' share	16					9449	9449	
	Net (15-16)	17			443714		537760	981474	
	Claims management costs	18			32670		4114	36784	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	27974		56326		33030	51270	
	Other acquisition expenses	22	35084		79482		38481	76086	
	Administrative expenses	23			109809			109809	
	Reinsurance commissions and profit participations	24			(114731)			(114731)	
	Total (21+22+23-24)	29	63058		360349		71511	351896	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	10119				48348	38229	
	Reinsurers' share	32	8244				41780	33536	
	Claims management costs	33							
	Total (31-32+33)	39	1875				6568	4693	
Split of line 29	Prior financial years	41							
	This financial year	42	63058		360349		71511	351896	
Split of line 39	Incidents occurring prior to this financial year	51	1875				6568	4693	
	Incidents occurring in this financial year	52							

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

Name of company **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total primary (direct) and facultative business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	1179980	GL	31	12	2009	£000	002
				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		1308030	426407		838813	(42809)	
	Reinsurers' share	12		137407	17790		175332	55715	
	Net (11-12)	13		1170623	408617		663482	(98524)	
	Claims management costs	14		16296	25291		13647	22642	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			440817		547209	988027	
	Reinsurers' share	16					9449	9449	
	Net (15-16)	17			440817		537760	978577	
	Claims management costs	18			32670		4114	36784	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		27974	55860		33030	50803	
	Other acquisition expenses	22		35084	79482		38481	76086	
	Administrative expenses	23			109270			109270	
	Reinsurance commissions and profit participations	24			(112981)			(112981)	
	Total (21+22+23-24)	29		63058	357592		71511	349139	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31		10119			48348	38229	
	Reinsurers' share	32		8244			41780	33536	
	Claims management costs	33							
	Total (31-32+33)	39		1875			6568	4693	
Split of line 29	Prior financial years	41							
	This financial year	42		63058	357592		71511	349139	
Split of line 39	Incidents occurring prior to this financial year	51		1875			6568	4693	
	Incidents occurring in this financial year	52							

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

Name of company **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total treaty reinsurance accepted business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	1179980	GL	31	12	2009	£000	003
				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		302	28		302	28	
	Reinsurers' share	12							
	Net (11-12)	13		302	28		302	28	
	Claims management costs	14					3	3	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			2897			2897	
	Reinsurers' share	16							
	Net (15-16)	17			2897			2897	
	Claims management costs	18			(0)		(0)	(0)	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21			467			467	
	Other acquisition expenses	22							
	Administrative expenses	23			539			539	
	Reinsurance commissions and profit participations	24			(1751)			(1751)	
	Total (21+22+23-24)	29			2757			2757	
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			2757			2757	
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 **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total primary (direct) and facultative accident and health

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	1179980	GL	31	12	2009	£000	110
				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		30078	15340		5052	(9686)	
	Reinsurers' share	12		77			77	(0)	
	Net (11-12)	13		30001	15340		4975	(9686)	
	Claims management costs	14		64	380		154	470	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			28147		15183	43330	
	Reinsurers' share	16							
	Net (15-16)	17			28147		15183	43330	
	Claims management costs	18			4966		13	4979	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		377	3865		402	3840	
	Other acquisition expenses	22		749	1610		269	2090	
	Administrative expenses	23			2987			2987	
	Reinsurance commissions and profit participations	24			(4263)			(4263)	
	Total (21+22+23-24)	29		1126	12726		671	13180	
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		1126	12726		671	13180	
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 **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total primary (direct) and facultative personal lines motor business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	1179980	GL	31	12	2009	£000	120
				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		1010521	287182		718039	(5301)	
	Reinsurers' share	12		128720	17741		167844	56865	
	Net (11-12)	13		881801	269441		550195	(62166)	
	Claims management costs	14		14576	14495		12085	12004	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			213595		328865	542460	
	Reinsurers' share	16					9449	9449	
	Net (15-16)	17			213595		319416	533011	
	Claims management costs	18			15138		3024	18161	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		4207	11647		5180	10674	
	Other acquisition expenses	22		20531	46394		22635	44290	
	Administrative expenses	23			59276			59276	
	Reinsurance commissions and profit participations	24			(22387)			(22387)	
	Total (21+22+23-24)	29		24738	139703		27815	136626	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31		10119			48348	38229	
	Reinsurers' share	32		8244			41780	33536	
	Claims management costs	33							
	Total (31-32+33)	39		1875			6568	4693	
Split of line 29	Prior financial years	41							
	This financial year	42		24738	139703		27815	136626	
Split of line 39	Incidents occurring prior to this financial year	51		1875			6568	4693	
	Incidents occurring in this financial year	52							

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

Name of company **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Primary (direct) and facultative household and domestic all risks

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	1179980	GL	31	12	2009	£000	160
				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		107069	52696		35681	(18692)	
	Reinsurers' share	12		7565	49		6366	(1150)	
	Net (11-12)	13		99503	52647		29315	(17542)	
	Claims management costs	14		517	5803		354	5640	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			95615		79008	174623	
	Reinsurers' share	16							
	Net (15-16)	17			95615		79008	174623	
	Claims management costs	18			7467		443	7910	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		21802	31693		23829	29666	
	Other acquisition expenses	22		10349	22372		11539	21182	
	Administrative expenses	23			21560			21560	
	Reinsurance commissions and profit participations	24			(20906)			(20906)	
	Total (21+22+23-24)	29		32151	96530		35368	93313	
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		32151	96530		35368	93313	
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 **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total primary (direct) and facultative personal lines financial loss business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	1179980	GL	31	12	2009	£000	180
				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	160362	71190	80041	(9131)			
	Reinsurers' share	12	1044		1044				
	Net (11-12)	13	159318	71190	78997	(9131)			
	Claims management costs	14	1139	4613	1055	4528			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		103460	124154	227613			
	Reinsurers' share	16							
	Net (15-16)	17		103460	124154	227613			
	Claims management costs	18		5100	634	5734			
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	1588	8655	3619	6624			
	Other acquisition expenses	22	3456	9107	4038	8524			
	Administrative expenses	23		25447		25447			
	Reinsurance commissions and profit participations	24		(65425)		(65425)			
	Total (21+22+23-24)	29	5044	108633	7658	106020			
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	5044	108633	7658	106020			
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 **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Balance of all treaty reinsurance accepted business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	1179980	GL	31	12	2009	£000	709
				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	302		28		302	28	
	Reinsurers' share	12							
	Net (11-12)	13	302		28		302	28	
	Claims management costs	14					3	3	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			2897			2897	
	Reinsurers' share	16							
	Net (15-16)	17			2897			2897	
	Claims management costs	18			(0)		(0)	(0)	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21			467			467	
	Other acquisition expenses	22							
	Administrative expenses	23			539			539	
	Reinsurance commissions and profit participations	24			(1751)			(1751)	
	Total (21+22+23-24)	29			2757			2757	
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			2757			2757	
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

UK Insurance Limited

Global business

Financial year ended 31 December 2009

Total business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		Claims outstanding brought forward		1179980	GL	day month year			£000	001	
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)			31	12	2009			Deterioration/ (surplus) of original claims reserve %
12	2009	11				443714	274862	262898		981474		10	11	12	2009	12	13	
12	2008	12	421846	483729		219515	136853	85500	218612	(41861)			1208373			(8.7)	71.5	
12	2007	13	458641	556535	245461	67131	131491	42849	163360	89326	(11216)		1237538			(12.5)	76.4	
12	2006	14	450135	581995	270158	48838	95909	30571	124096	72021	(20799)		1312591			(23.5)	68.2	
12	2005	15	452090	518202	295205	37010	53271	22959	78727	44435	(9922)	1883	1292978			(21.2)	66.6	
12	2004	16	408557	449357	318137	22279	37784	2396	54594	14181	(6316)	3576	1203776			(15.3)	65.6	
12	2003	17	327038	366394	271427	10516	16251	2599	24207	10400	(5241)	1109	973037			(17.9)	64.5	
12	2002	18	234024	252465	210278	2860	3907	(345)	6941	3230	(3748)		692992			(14.2)	65.0	
12	2001	19	98360	104162	95535	545	1170	616	1205	480	646		374224			(6.0)	52.4	
12	2000	20	63363	8338	22347	0		0	2	(10)	8		156290			168.0	54.8	
Prior accident years																		
Reconciliation																		
Total (11 to 22)						852408	751500	450044	718251	452674	863027	6568						

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

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total primary (direct) and facultative business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		Claims outstanding brought forward		1179980	GL	day month year			Units	Category number		
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)			31	12	2009			£000	002
12	2009	11				440817	274862	262898			978577			11	12	2009		80.7	
12	2008	12	418469	483729		219492	136853	85500	218612	(41884)				11	12	2008		71.7	
12	2007	13	455034	556535	245470	67131	131491	42849	89326	(11216)				11	12	2007		76.4	
12	2006	14	450135	581995	270081	48838	95909	30571	72021	(20799)				11	12	2006		68.9	
12	2005	15	448888	517584	295205	37010	53271	22959	44435	(9922)		1863		11	12	2005		66.6	
12	2004	16	408557	449357	318137	22279	37784	2396	14181	(6316)		3576		11	12	2004		66.1	
12	2003	17	327038	366394	270393	10510	15950	2599	10400	(5246)		1109		11	12	2003		65.4	
12	2002	18	227141	252050	210278	2860	3907	(345)	3230	(3748)				11	12	2002		65.5	
12	2001	19	88027	102992	95135	545	1170	616	480	646				11	12	2001		52.2	
12	2000	20	52189	7548	19096	0		0	(10)	8				11	12	2000		53.2	
Prior accident years																			
Reconciliation																			
Total (11 to 22)						849483	751198	450044	717949	452674	860102	6568							

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

Name of insurer UK Insurance Limited

Global business

Financial year ended 31 December 2009

Total treaty reinsurance accepted business

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number						
	R23	1179980		GL	31	12			2009	£000				
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward	Claims outstanding brought forward	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	2009	11			2897			2897		7125				40.7
12	2008	12			23			23		9108				37.3
12	2007	13		(9)						4155				86.6
12	2006	14		77						12342				0.6
12	2005	15	618							6847	(100.0)			48.2
12	2004	16								10187				
12	2003	17		1033	6	302		6		15473				8.7
12	2002	18	415							15310	(100.0)			45.0
12	2001	19	1170	400						19001	(65.8)			56.5
12	2000	20	790	3251						22360	311.5			64.5
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			2925	302		2925						

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

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total primary (direct) and facultative accident and health

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number						
	R23	1179980		GL	31 12 2009	£000			110					
Month	Year	1	2	3	4	Claims outstanding forward		Claims outstanding brought forward		Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %	
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
12	2009	11			28147	7613	7570			43330		65491		66.2
12	2008	12	23271		12843	1386	988	10736	12535	(8055)		69714	(34.6)	58.7
12	2007	13	27561	17327	2104	331	404	2421	2455	(2037)		72803	(26.8)	69.1
12	2006	14	23030	14369	391	159	476	296	525	204		63661	(33.2)	63.5
12	2005	15	17254	15608	(30)	70	255	109	282	(96)		58506	(7.8)	51.4
12	2004	16	12409	20058	(1)	(56)	84	(43)	62	8		45542	61.9	87.2
12	2003	17	3664	(3300)	9	22	96	30	86	11		14053	(186.6)	6.6
12	2002	18	3511	3013	7	29	99	33	102	1		15093	(10.3)	43.9
12	2001	19	2626	5932	17	118	514	100	272	277		21698	150.6	56.9
12	2000	20	388	3220								12087	729.9	48.8
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			43487	9672	10486	13681	16319	33644				

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

Name of insurer

UK Insurance Limited

Global business

Financial year ended 31 December 2009

Total primary (direct) and facultative personal lines motor business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		R23	1179980	GL	day month year			Units	Category number
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)				31	12	2009		
12	2009	11				213595	180542	138873			533011				11	12	13	100.3
12	2008	12	228713	300466		117779	121809	46069	188536	111930	(14809)				582933			88.2
12	2007	13	243519	354498	132319	47166	123400	21480	143507	55070	(6530)				624470			90.9
12	2006	14	273371	391775	171077	38867	90899	17666	115403	53200	(21172)				710024			83.4
12	2005	15	280799	396885	202527	32090	50371	19222	73687	35944	(7947)	1863			723457			80.9
12	2004	16	258260	340045	227545	20829	36861	1654	52559	11164	(4378)	3576			713769			76.4
12	2003	17	202885	267811	202560	9655	15088	1417	21897	8387	(4126)	1109			562478			76.7
12	2002	18	125765	185122	147454	2530	3776	(539)	6565	2880	(3678)				374894			74.4
12	2001	19	36869	71413	61012	525	954	67	981	95	470				130547			76.2
12	2000	20	697	2804	4046				2	(7)	5				4290			110.6
Prior accident years																		
Reconciliation																		
Total (11 to 22)						483036	623701	245909	603138	278663	470845	6568						

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

Name of insurer UK Insurance Limited

Global business

Financial year ended 31 December 2009

Primary (direct) and facultative household and domestic all risks

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number						
	R23	1179980		GL	31	12			2009	£000	160			
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward	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	2009	11			95615	58603	20405			174823		247544		70.5
12	2008	12	65703		41192	8008	3251	42514	23188	(13251)		238725	(20.2)	57.0
12	2007	13	102579	100149	7158	4610	2597	10259	4762	(655)		215279	(23.6)	83.2
12	2006	14	67407	64883	2278	2442	2740	4199	4513	(1251)		209921	(24.4)	55.5
12	2005	15	73113	51066	37302	1728	927	2217	2372	(1350)		187769	(20.6)	60.5
12	2004	16	59657	53174	29352	472	545	885	1025	(361)		180101	(41.9)	50.3
12	2003	17	53160	39050	30624	662	1166	1598	1497	(607)		140367	(15.2)	61.5
12	2002	18	45535	31000	27031	73	67	241	191	(4)		108662	(11.4)	67.2
12	2001	19	8726	9581	10424	1	25	11	29	(12)		31386	9.1	61.1
12	2000	20	259	1195	2639				0	(0)		1276	120.8	227.1
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			148311	76600	31723	61925	37578	157131				

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

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Total primary (direct) and facultative personal lines financial loss business

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number						
	R23	1179980		GL	31	12			2009	£000				
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward	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	2009	11			103460	28103	96051			227613		369097		61.7
12	2008	12	94289		47678	5650	35193	23331	70958	(5768)		307893	(6.1)	54.8
12	2007	13	74327	33645	10703	3150	18367	7174	27039	(1593)		320831	(11.4)	45.1
12	2006	14	84318	43025	7302	2408	9689	4197	13782	1420		316644	(39.0)	46.3
12	2005	15	80778	39768	4365	1102	2554	2715	5837	(529)		316599	(8.8)	40.6
12	2004	16	70996	41182	919	507	113	1193	1930	(1584)		254157	(2.3)	44.7
12	2003	17	66886	40510	186	178	(79)	380	430	(525)		240666	(27.0)	44.7
12	2002	18	52370	32780	35	29	28	102	57	(67)		179033	1.4	47.6
12	2001	19	36658	17767	1	96	10	112	84	(89)		171592	(7.7)	31.8
12	2000	20	48559	9192	0		0	0	(4)	4		116277	190.8	49.7
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			174649	41224	161926	39205	120113	218482				

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

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

Balance of all treaty reinsurance accepted business

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number						
	R23	1179980		GL	31	12			2009	£000	709			
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward	Claims outstanding brought forward	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	2009	11			2897			2897		7125		40.7		
12	2008	12			23			23		9108		37.3		
12	2007	13		(9)						4155		86.6		
12	2006	14		77						12342		0.6		
12	2005	15	618							6647	(100.0)	48.2		
12	2004	16								10187				
12	2003	17		1033	6	302		6		15473		8.7		
12	2002	18	415							15310	(100.0)	45.0		
12	2001	19	1170	400						19001	(65.8)	56.5		
12	2000	20	790	3251						22360	311.5	64.5		
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			2925	302		2925						

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

Name of insurer **UK Insurance Limited**

Currency **British Pound**

Global business **Travel** Reporting Territory **United Kingdom other than home foreign**

Financial year ended **31 December 2009**

Accident year ended	Month	Year	Number of claims			Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Monetary units	Category number	Currency code	Reporting territory code
			Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported	Claims incurred (latest year) or developed during this financial year (4+5+6-7-8)				
			1	2	3	4	5	6	7	8	9	10	11		
	12	2009	51096	10293		28147	7613	7570			43330	65953	65.7		
	12	2008	55459	270	25730	12843	1386	988	10736	12535	(8055)	70213	58.3		
	12	2007	66799	88	47503	2104	331	404	2421	2455	(2037)	73895	68.1		
	12	2006	61449	22	39409	391	159	476	296	525	204	65069	62.1		
	12	2005	61701	18	44723	(30)	70	255	121	282	(107)	61701	73.0		
	12	2004	52648	9	29515	(1)	21	84	23	62	20	56463	52.5		
	12	2003	12800	2	14208	9	22	96	30	86	11	47092	30.4		
	12	2002	11997	1	16990	7	29	99	33	102	1	35410	48.4		
	12	2001	5792		11919	17	118	514	100	272	277	20779	60.5		
	12	2000	29		8										
Prior accident years															
Total (11 to 21)				10703		43487	9749	10486	13759	16319	33644				
Line 29 expressed in sterling						43487	9749	10486	13759	16319	33644				

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

Name of insurer **UK Insurance Limited**Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**Financial year ended **31 December 2009**

Primary (direct) and facultative household and domestic all risks

Accident year ended	Month	Year	Number of claims			Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Category number	Currency code	Reporting territory code
			Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	In this financial year	Reported	In this financial year	Reported			
			1	2	3	4	5	6	7	8	9	10	11	
	12	2009	103679	17298	95615	58603	20405	42514	23188	174623	264481	66.0		
	12	2008	129452	1115	83675	41192	3251	10259	4762	(12900)	254938	53.5		
	12	2007	136486	624	164757	7158	2597	4199	4513	(655)	227883	78.6		
	12	2006	127029	322	109016	2278	2740	2217	2372	(1251)	218215	53.4		
	12	2005	136047	124	113126	585	927	885	1025	(1350)	197047	59.1		
	12	2004	202302	45	90634	532	545	3968	6605	(361)	201641	45.7		
	12	2003	750512	39	91289	661	6166	328	191	(2163)	161184	61.9		
	12	2002	466246	13	76306	288	67	328	29	2	123740	62.1		
	12	2001	77057	1	20172	2	25	11	0	(12)	33175	60.9		
	12	2000	1759		2931					(0)	1313	223.2		
Prior accident years		21												
Total (11 to 21)		29		19582		148311	77967	36723	64383	42686	155932			
Line 29 expressed in sterling		30				148311	77967	36723	64383	42686	155932			

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

Name of insurer **UK Insurance Limited**

Currency **British Pound**

Global business **United Kingdom other than home foreign**

Financial year ended **31 December 2009**

Assistance

Accident year ended	Month	Year	Number of claims			Gross claims paid			Gross claims outstanding carried forward			Gross claims brought forward			Monetary units	Category number	Currency code	Reporting territory code
			Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	In previous financial years	In this financial year	Reported	In previous financial years	In this financial year	Reported	In previous financial years				
			1	2	3	4	5	6	7	8	9	10	11					
	12	2009	11	453257	4259	27767	422	173	7	8	28362	144773	19.6					
	12	2008	12	435682	11	3207	36		1093		2150	50424	50.4					
	12	2007	13	485423	8	3225	39		140		3124	64216	47.1					
	12	2006	14	569783		2938	38		42		2934	71648	45.1					
	12	2005	15	591598		30733	36		37		1804	70794	46.0					
	12	2004	16	513126		30532	20		21		32	81435	37.6					
	12	2003	17	502588		33963	2		3		(1)	54215	62.6					
	12	2002	18	55241		60234	0		0			46833	128.6					
	12	2001	19	14		27669						90350	30.6					
	12	2000	20			26073												
Prior accident years			21															
Total (11 to 21)			29		4278	38974	593	173	1337		38404							
Line 29 expressed in sterling			30			38974	593	173	1337		38404							

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

Name of insurer **UK Insurance Limited**Currency **British Pound**Global business **Reporting Territory United Kingdom other than home foreign**Financial year ended **31 December 2009**

Creditor

Accident year ended	Month	Year	Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Category number	Currency code	Reporting territory code
			Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
	12	2009	10025	19651	31246	13265	78639				123151	124053	99.3
	12	2008	28981	4025	20191	1412	30432	9346	59292	59292	(10659)	132729	58.9
	12	2007	41915	2034	43193	744	16665	2842	25483	25483	(6084)	149596	43.7
	12	2006	38420	1366	48373	564	8522	1546	13235	13235	(2479)	154093	39.4
	12	2005	32171	681	54171	275	2185	724	5356	5356	(1777)	155730	37.5
	12	2004	30787	55	55575	6	308	185	703	703	(103)	141646	39.8
	12	2003	29701	18	51370	16	17	34	(24)	(24)	31	109207	47.1
	12	2002	24727	2	40607	4	37	20	30	30	(7)	80754	50.3
	12	2001	12546		18002	2	(4)	6	23	23	(28)	68403	26.3
	12	2000	584		718		0	(0)	(5)	(5)	5		
Prior accident years		21											
Total (11 to 21)		29		27832	67755	16288	136802	14703	104092	104092	102049		
Line 29 expressed in sterling		30			67755	16288	136802	14703	104092	104092	102049		

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

Name of insurer **UK Insurance Limited**Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**Financial year ended **31 December 2009**

Pet insurance

Accident year ended	Company registration number		GL UK/ CM	day month year		Monetary units	Category number	Currency code	Reporting territory code
	R31	1179980		GL	31 12 2009				
Month	Number of claims		Gross claims paid		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
	Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported			
12 2009	11	19829	44043	4	5	6	9	10	11
	83075				12964		68534	100295	68.3
12 2008	12	1457	16007	3	7	8	2934	80000	71.1
	109616				2699		611	62310	66.4
12 2007	13	260	870	2	4	3	342	52997	76.8
	94131				453		(174)	35402	84.5
12 2006	14	250	207	2	5	2	(74)	28509	80.8
	122397				404		6	20653	85.2
12 2005	15	2	76	2	1	3	3	14254	89.5
	74879				14		(53)	6453	65.1
12 2004	16	2	3	2	2	2	1		
	65142				18		1		
12 2003	17		20	2	1	4	1		
	53805				101		76		
12 2002	18	2	1	1	0	0	1		
	44607				3		1		
12 2001	19	1	2	2	75	0	55		
	14734				0		1		
12 2000	20		0	0	0	0	1		
	657				0		1		
Prior accident years	21								
Total (11 to 21)	29	21803	61229	12888	16543	10938	72115		
Line 29 expressed in sterling	30		61229	12888	16543	10938	72115		

General Insurance business (accident year accounting) : Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance

Name of insurer **UK Insurance Limited**

Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**

Financial year ended **31 December 2009**

Private motor - comprehensive

Accident year ended	Month	Year	Number of claims			Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		GL	day month year		Monetary units	Category number	Currency code	Reporting territory code
			Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported	31		12	2009				
			1	2	3	4	5	6	7	8		9	10	11	12			
	12	2009	11	199865	63582	200455	155028	122371				477853	497089	96.1	1293	20.4		
	12	2008	12	279570	11992	104801	112354	43113	172835	98725		(11293)	548625	87.4	1398	20.9		
	12	2007	13	332751	4937	369164	107526	23572	120901	55127		(5998)	601930	89.6	1493	22.6		
	12	2006	14	375867	2407	427325	84959	17922	102526	48590		(15544)	678411	83.0	1615	23.4		
	12	2005	15	381518	876	453040	50143	10978	60290	34041		(5832)	663442	81.6	1619	23.6		
	12	2004	16	357469	397	464019	36009	2029	44825	10276		(1968)	678046	76.3	1487	24.1		
	12	2003	17	303848	252	395504	18673	14889	27005	21458		(5166)	552881	79.4	853	35.7		
	12	2002	18	212605	198	277831	2917	642	8494	2074		(3559)	376777	75.6	867	24.5		
	12	2001	19	82214	42	101479	1707	98	3418	61		(322)	135114	77.4	336	24.5		
	12	2000	20	2493		4404							3439	128.1	9	27.7		
Prior accident years			21															
Total (11 to 21)			29	84683		433891	569314	235614	540294	270352		428172						
Line 29 expressed in sterling			30			433891	569314	235614	540294	270352		428172						

General insurance business (accident year accounting) : Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance

Name of insurer

UK Insurance Limited

Currency

British Pound

Global business

Reporting Territory

United Kingdom other than home foreign

Financial year ended 31 December 2009

Private motor - non-comprehensive

Accident year ended	Month	Year	Number of claims			Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		GL UK/ CM	day month year	Monetary units	Category number	Currency code	Reporting territory code
			Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	In this financial year	Reported	In this financial year	Reported						
			1	2	3	4	5	6	7	8	31	12	2009	000	122	GBP	AA
	12	2009	11	9256	5199	13141	31245	20221				64607	53653	120.0	120	12.0	
	12	2008	12	13112	1285	15101	17047	9558	23269	19340		(903)	55801	97.4	125	11.5	
	12	2007	13	20648	710	36909	20344	5967	25729	7463		2126	73747	97.9	162	13.2	
	12	2006	14	30715	469	60305	21473	5694	25027	12190		(3214)	103127	91.4	217	14.4	
	12	2005	15	37220	218	75503	29272	11056	21438	6674		20506	136560	90.9	249	15.0	
	12	2004	16	38562	119	79844	52844	317	27310	3420		31926	119655	119.1	246	15.7	
	12	2003	17	33919	51	70704	12980	206	19450	1233		(5043)	97567	88.5	154	22.1	
	12	2002	18	22085	17	45839	3300	144	5609	1378		(989)	66490	78.0	133	16.6	
	12	2001	19	7663	7	15282	302	7	300	34		(19)	20370	76.6	52	14.8	
	12	2000	20	465		766				0		(0)	1011	75.8	3	15.5	
Prior accident years			21														
Total (11 to 21)			29		8075	66886	188805	53171	148133	51733		108997					
Line 29 expressed in sterling			30			66886	188805	53171	148133	51733		108997					

Equalisation provisions

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

	R37	Company registration number	GL/UK/CM	day month year			Units
				31	12	2009	
	Business grouping C (marine and aviation)	1179980	Business grouping E (non-proportional treaty)	31	12	2009	£000
	Business grouping B (business interruption)		Business grouping D (nuclear)				
	Business grouping A (property)		Business grouping E (non-proportional treaty)				
	1	2	3	4	5	6	7
Calculation of the maximum provision							
Total net premiums written in the previous 4 years	11	864180					
Net premiums written in the current year	12	262205					
Maximum provision	13	45055				45055	

Calculation of the transfer to/from the provision

Equalisation provision brought forward	21						7961
Transfers in	22	7866					7866
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						15827
Excess, if any, of 26 over 13	27						
Equalisation provision carried forward (26-27)	28						15827
Transfer in/(out) for financial year (28-21)	29						7866

Equalisation provisions technical account : Accident year accounting

Name of insurer **UK Insurance Limited**

Global business

Financial year ended **31 December 2009**

	Company registration number				GL/ UK/ CM	day month year			Units
	R38	1179980	GL	31 12 2009		31	12	2009	
Other than credit business	Business grouping A (property) 1	Business grouping B (business interruption) 2	Business grouping C (marine and aviation) 3	Business grouping D (nuclear) 4	Business grouping E (non-proportional treaty) 5				
Net premiums earned	247544								
Claims incurred net of reinsurance	157081								
Trigger claims value	179470								
Abnormal loss									
	72.5%	72.5%	95%	25%	100%				
	Trigger claims ratio								

Credit business

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

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Supplementary notes to the Return

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

0101 Modification to the Return

This return has been prepared in accordance with the Accounts and Statements Rules as modified by the following written concession:

Rule INSPRU 2.1.22R is amended by the addition of the following new subparagraph (7): "(7) For the purpose of this rule, a group of persons is not closely related by reason of the relationship described in INSPRU 2.1.40R(1) if control is exercised by, or on behalf of, HM Treasury."

This direction is given by the FSA under section 148 of the Financial Services and Markets Act 2000 ("the Act"). The direction takes effect from 16 June 2009 and ends on 31 March 2012

0301 – Reconciliation of Net Admissible Assets to Available Capital Resources

	2009	2008
	£000s	£000s
Form 13 line 89	2,912,094	2,816,320
Form 15 line 69	<u>2,177,137</u>	<u>2,201,036</u>
Net admissible assets	734,957	615,284
Class 1 adjustment for discounting	-	1,877
Total capital resources after deductions (Form 3 line 79)	734,957	617,161

0310 – Net valuation Differences

The following net valuation differences have been included in Form 3 to the Return:

	2009	2008
	£000s	£000s
Line 35 – other negative valuation differences	15,828	7,961

The negative valuation differences represent a claims equalisation reserve of £15,828,000 which has been included in the Company's statutory accounts as Other Reserves following the Company's adoption of IFRS.

0313 – Reconciliation of Movement in Reserves to Retained Profit for the Year

	2008
	£000s
Form 3 col 3 line 12 (reserves c/f)	187,031
Form 3 col 4 line 12 (reserves b/f)	<u>(124,009)</u>
Movement on reserves	63,022
Movement on claims equalisation reserve	(7,866)
Form 16 Line 59 – Profit and loss retained for the financial year	55,156

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Supplementary notes to the Return

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

Following a systems review a mismatch between the underwriting entity disclosed on the customer documentation for the motor vehicle rescue business and the statutory entity recording premiums, claims, and expenses for that business was identified.

The correcting entries required are to attribute the income and expenses, assets, liabilities and reserves in respect of an element of the motor vehicle rescue business to UK Insurance Limited from a fellow subsidiary Churchill Insurance Company Limited.

	Year Ended 31 December 2009 £'000
Premium receivables	36,950
Change in unearned premium provision	<u>(4,345)</u>
Net insurance premium revenue	32,605
Insurance claims	(10,981)
Commission expenses	<u>(4,248)</u>
Increase in profit before tax	17,376
Tax charge	<u>(5,143)</u>
Increase in profit for the year	<u>12,233</u>

The cumulative correction for UK Insurance has been made in 2009, which has now affected the risk category 180 Assistance.

1104 – Discounting

Provisions for claims outstanding at Form 11 line 51 are shown net of discounting for Class 1 business.

1305 – Maximum Counterparty Limits

The Company's investment guideline regarding counterparty exposures is that the maximum exposure to any one's approved counterparty is continually reviewed and set as appropriate.

1306 – Exposure to Large Counterparties

The company had the following exposure to large counterparties at the year end:

	2009 £000s
The Royal Bank of Scotland Group plc	200,020
Lloyds TSB Group plc	105,277
Banco Santander SA	131,684
Barclays PLC	77,587

1315 – Other Assets

An overpayment of £6,866,000 was made in 2009 relating to company tax on estimated profit.

	2009 £000s	2008 £000s
Line 35 – other negative valuation differences	6,866	-

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Supplementary notes to the Return

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

***1501* – Provision for Reasonably Foreseeable Adverse Variations**

No provision is required in respect of foreseeable adverse variations. The Company has no derivative contracts and all obligations to deliver an asset or to make a payment were felt to be prudently provided in the accounts.

***1502* – Other than Long Term Business Assets/Liabilities**

- a) No charge has been made on the assets of the Company to secure the liabilities of any other person.
- b) There is no potential capital gains tax liability
- c) There are no guarantees, indemnities or other contractual commitments, effected other than in the ordinary course of insurance business, in respect of related companies
- d) There are no other contingent liabilities
- e) There are no fundamental uncertainties

***1507* – Other Adjustment to Liabilities**

An amount of £15,828,000 has been included in Form 15 line 83 in respect of claims equalisation reserves. The claims equalisation reserve is now regarded as part of Capital and Reserves in Form 15 line 84 following the Company's adoption of IFRS. If the adjustment had not been made in Form 15 line 83 then the equalisation reserves would be double counted as they are also shown in Form 15 Lines 14/15.

***1603* – Other Income and Charges**

	2009	2008
	£000s	£000s
Income received regarding partner operations	17,500	17,500

RBS Group is required to reimburse UK Insurance Ltd for the provision and the resulting P&L entries are net-neutral to the profit of UK Insurance. The provision is made in the accounts of UK Insurance Ltd and recorded against expenses in Form 22, whilst the requirement of RBS Group to reimburse UK Insurance, is recorded as an intercompany debtor and recorded against Other Income in Form 16.

***1601* – Basis of Conversion**

Assets and liabilities denominated in foreign currencies are included within the return at exchange rates ruling at the end of the accounting period. Items of income and expenditure denominated in foreign currencies are included within the return at exchange rates ruling at the end of the month in which the income or expenditure arose.

The assessment of a required Stop Loss provision, created as a result of the sale of a joint venture to Tesco Premium Finance Ltd, was £17.5m for 2009, being approximately 50% of the total £35m provision estimated requirement over the next two preceding years.

Supplementary notes to the Return

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

1700 – Derivative Contracts

No Form 17 has been presented as the company did not enter into any derivative contracts during the year, and no such contract was outstanding at year end.

20Ab – Risk Categories

The following risk categories include contracts of insurance against risk of death or injury to passengers:

- 121 – Private motor comprehensive
- 122 – Private motor non comprehensive
- 113 – Travel

20Ae – Facultative Business

There is no facultative reinsurance business included.

20Af – Balances Reported Under Category 113

All the balances reported under Category 113 relate to category 1 Accident and Health under IPRU(INS) Annex 11.2 Part ii.

20Ag – Gross Premiums Written Attributable to Overseas Countries

There were gross premiums written in the Republic of Ireland as at 31 December 2009, totalling £18,228,000.

2007 – Particulars of Material Connected Party Transactions

- i. The company has entered into banking arrangements with National Westminster Bank plc, a fellow subsidiary of The Royal Bank of Scotland Group plc. The exposure to the Royal Bank of Scotland plc is detailed in Note 1306.
- ii. A fellow subsidiary, RBS Insurance Services Limited (RBSIS), provides staff/administration services to the Company. During the course of 2009, an amount of £168.1 million was recharged to the Company by RBSIS. At 31 December 2009, the Company owed an amount of £33.3 million to RBSIS in respect of these services.

During 2009, the company paid £110,630,515 under a profit sharing agreement to Tesco Personal Finance Limited, a joint venture company owned equally by the Royal Bank of Scotland plc and Tesco plc. However, the joint agreement ceased to exist as at 19 December 2008, which has resulted in TPF ceasing to be a related party at 2008 year end. In addition there was £68,839,536 in expense recharge to TFP during the year.

In the opinion of the directors all the above transactions have been conducted on an arms length basis

2102 – Unearned Premium

The provision for unearned premiums accounted on an accident year basis is calculated using a daily basis, 24th basis or 12th basis. This method is employed as being the most accurate possible given the Company's data and existing systems.

Supplementary notes to the Return

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

2202 – Claims Management Expenses

The costs of administering claims are specifically identified within the company's costing system and these, together with the appropriate share of support costs, make up the claims handling costs stated in the Return. Claims handling expenses are carried forward based on an estimate of the likely costs to be incurred in settling all outstanding claims. No provision is made for the cost of settling claims on proportional and non proportional inwards treaty reinsurance business, as these costs are incurred by the reinsured.

2204 – Acquisition Costs

The costs of acquiring business are specifically identified within the Company's costing system and these, together with the appropriate share of support costs, make up the non-commission acquisition costs stated in the Return. Such acquisition costs are carried forward as a percentage of unearned premiums, derived as the ratio of non commission acquisition costs incurred to gross premiums written.

2205 – Unexpired Risk Reserve

In setting an unexpired risk reserve, the Company offsets surpluses in one class of business against deficits in other classes within the same business segment on the grounds that all business classes within each business segment are managed together. In setting the reserve, investment income is taken into consideration. No provision is required at 31 December 2009.

3000 – Expected Income and Yield from Admissible Assets Covering Discounted Provisions

Form 30 has been omitted as in the case of Sheet 2, the provision for claims outstanding being discounted (before deduction for discounting) does not exceed 25% of the total provision for claims outstanding (before deduction for discounting). Additionally for Sheet 1, there is no requirement, as those currencies for which the provision of claims outstanding being discounted (before deduction for discounting) does not exceed 25% of the total provision for that currency for claims outstanding (before deduction for discounting).

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.25 – Additional information on general business: Major Treaty Reinsurers

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

Reinsurer details	Connection	Proportional Reinsurance Treaties £000	Non Proportional Reinsurance Treaties £000	Debts outstanding included at F13L75 £000	Deposits received included at F15L31 £000	Anticipated recoveries £000
Ace Tempest Reinsurance Ltd The Ace Tempest Re Building PO Box HM 2702 Hamilton KX Bermuda	None	-	1,878	778	-	-
Headrow Reinsurance Ltd Post Office Box 33 Maison Trinity Trinity Square St Peter Port Guernsey GY1 4AT	Wholly owned subsidiary of RBS Group Plc (now owned by UK Financial Investment Limited)	-	1,261	783	-	12,559
General Reinsurance UK Limited The Corn Exchange 55 Mark Lane London, England	None	-	2,255	44	-	2,457
Lloyd's of London One Lime Street London EC3M 7HA	None	-	3,550	705	-	-
Motor Insurance Corporation 300 Galeria Officenter Southfield Michigan 48034	None	-	-	568	-	10,233
Munich Reinsurance Company Plantation Place 30 Fenchurch Street London EC3M 3AJ	None	-	8,773	2,776	-	19,450

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.25 – Additional information on general business: Major Treaty Reinsurers

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

Reinsurer details	Connection	Proportional Reinsurance Treaties £000	Non Proportional Reinsurance Treaties £000	Debts outstanding included at F13L75 £000	Deposits received included at F15L31 £000	Anticipated recoveries £000
Swiss Reinsurance Ltd 30 St Mary Ave London EC3A 8EP	None	-	3,135	1,243	-	20,250

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.27 – Information on Major General Business Reinsurance Cedents

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

Reinsurer details	Connection	Reinsurance premiums receivable	Debts outstanding included at F13L75	Deposits received included at F15L31	Anticipated recoveries	Comments
As required by Rule 9.27:		£000	£000	£000	£000	£000
Zurich Insurance Co 300 Parkway Solent Business Park Whitely Fareham Hampshire PO15 7JZ	None	3,677				
Eagle Star (Now Zurich Direct) 300 Parkway Solent Business Park Whitely Fareham Hampshire PO15 7JZ	None	2,911				
Cardif Pinnacle Insurance Management Services plc, Pinnacle House, A1 Barnet Way, Borehamwood, Herts WD6 2XX.	None	617				

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Property Catastrophe Programme Excess of Loss</u>	From 01/10/2008				
1 st Layer	Losses Occurring 12 months at 1 October 2008	£200,000,000 xs £220,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
2 nd Layer	Losses Occurring 12 months at 1 October 2008	£265,000,000 xs £420,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
3 rd Layer	Losses Occurring 12 months at 1 October 2008	£265,000,000 xs £685,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
4 th Layer	Losses Occurring 12 months at 1 October 2008	£150,000,000 xs £950,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
5 th Layer	Losses Occurring 12 months at 1 October 2008	£25,000,000 xs £1,100,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
6 th Layer	Losses Occurring 12 months at 1 October 2008	£200,000,000 xs £1,125,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers
Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **Insurance Limited – In respect of Tesco Personal Finance Only**

Global Business

Financial year ended **31 December 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
Property Catastrophe Programme Excess of Loss	From 01/10/2009				
1 st Layer	Losses Occurring 12 months at 1 October 2009	£180,000,000 xs £220,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
2 nd Layer	Losses Occurring 12 months at 1 October 2009	£250,000,000 xs £400,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
3 rd Layer	Losses Occurring 12 months at 1 October 2009	£250,000,000 xs £650,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
4 th Layer	Losses Occurring 12 months at 1 October 2009	£100,000,000 xs £900,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
5 th Layer	Losses Occurring 12 months at 1 October 2009	£250,000,000 xs £1,000,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company Insurance Limited – In respect of Tesco Personal Finance Only

Global Business

Financial year ended 31 December 2009

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Property Catastrophe Programme Excess of Loss</u>	From 01/10/2009				
6 th Layer	Losses Occurring 12 months at 1 October 2009	£50,000,000 xs £1,250,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
7 th Layer	Losses Occurring 12 months at 1 October 2009	£25,000,000 xs £1,300,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
8 th Layer	Losses Occurring 12 months at 1 October 2009	£200,000,000 xs £220,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
9 th Layer	Losses Occurring 12 months at 1 October 2009	£265,000,000 xs £420,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
10 th Layer	Losses Occurring 12 months at 1 October 2009	£265,000,000 xs £685,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
Motor Programme Excess of Loss					
1 st Layer	Risks attaching in 12 months at 1 January 2009	£5,000,000 xs £5,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
2 nd Layer	Risks attaching in 12 months at 1 January 2009	£15,000,000 xs £10,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
3 rd Layer	Risks attaching in 12 months at 1 January 2009	Unlimited xs £25,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
4 th Layer	Risks attaching in 12 months at 1 January 2009	£75,000,000 xs £25,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
5 th Layer	Risks attaching in 12 months at 1 January 2009	Unlimited xs £100,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company UK Insurance Limited

Global Business

Financial year ended 31 December 2009

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
Liability Programme Excess of Loss					
1 st Layer	RBS Group Cover Losses occurring during the 12 months as 1 January 2009	£4,000,000 xs £1,000,000	2 Free, except EL which are unlimited	Group cover protecting DL / UKI / CIC/NIG	EL/ PL/ Pet Liability/ Travel Liability
2 nd Layer	Losses occurring during the 12 months as 1 January 2009	£5,000,000 xs £5,000,000	2 Free, except EL which are unlimited	Group cover protecting DL / UKI / CIC/ NIG	EL/PL/ Pet Liability/ Travel Liability
3 rd Layer	Losses occurring during the 12 months as 1 January 2009	£15,000,000 xs £10,000,000	One Free	Group cover protecting DL / UKI / CIC/ NIG	EL/PL/ Pet Liability/ Travel Liability

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Travel Programme</u> <u>Excess of Loss</u>	RBS Group Cover				
1 st Layer	Losses occurring in 12 months at 1 st January 2009	£8,000,000 xs £2,000,000	1 at 100% AP	Group cover protecting DL/ UKI/ CIC/ NIG	Accident / Travel
2 nd Layer	Losses occurring in 12 months at 1 st January 2009	£10,000,000 xs £10,000,000	1 at 100% AP	Group cover protecting DL/ UKI/ CIC/ NIG	Accident / Travel

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **UK Insurance Limited – in respect of Tesco Personal Finance Only**

Global Business

Financial year ended **31 December 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Property Catastrophe Programme Excess of Loss</u>	From 01/10/2008				
1 st Layer	Losses Occurring 12 months at 1 October 2008	£30,000,000 xs £20,000,000	One at 100% additional premium	TPF Only	Householder & Motor Physical Damage Combined Losses
2 nd Layer	Losses Occurring 12 months at 1 October 2008	£50,000,000 xs £50,000,000	One at 100% additional premium	TPF Only	Householder & Motor Physical Damage Combined Losses
3 rd Layer	Losses Occurring 12 months at 1 October 2008	£30,000,000 xs £100,000,000	One at 100% additional premium	TPF Only	Householder & Motor Physical Damage Combined Losses
4 th Layer	Losses Occurring 12 months at 1 October 2008	£20,000,000 xs £130,000,000	One at 100% additional premium	TPF Only	Householder & Motor Physical Damage Combined Losses

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **Insurance Limited – In respect of Tesco Personal Finance Only**

Global Business

Financial year ended **31 December 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
Property Catastrophe Programme Excess of Loss	From 01/10/2009				
1 st Layer	Losses Occurring 12 months at 1 October 2009	£25,000,000 xs £20,000,000	One at 100% additional premium	TPF Only	Householder & Motor Physical Damage Combined Losses
2 nd Layer	Losses Occurring 12 months at 1 October 2009	£50,000,000 xs £45,000,000	One at 100% additional premium	TPF Only	Householder & Motor Physical Damage Combined Losses
3 rd Layer	Losses Occurring 12 months at 1 October 2009	£55,000,000 xs £95,000,000	One at 100% additional premium	TPF Only	Householder & Motor Physical Damage Combined Losses

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **UK Insurance Limited – In Respect of Tesco Personal Finance Only**

Global Business

Financial year ended **31 December 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
Motor Programme Excess of Loss					
1 st Layer	Risks attaching in 12 months at 1 January 2009	£2,000,000 xs £3,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
2 nd Layer	Risks attaching in 12 months at 1 January 2009	£5,000,000 xs £5,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
3 rd Layer	Risks attaching in 12 months at 1 January 2009	£10,000,000 xs £15,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
4 th Layer	Risks attaching in 12 months at 1 January 2009	Unlimited xs £25,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
5 th Layer	Risks attaching in 12 months at 1 January 2009	£75,000,000 xs £25,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
6 th Layer	Risks attaching in 12 months at 1 January 2009	Unlimited xs £100,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **UK Insurance Limited – In Respect of Tesco Personal Finance Only**
Global Business

Financial year ended **31 December 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Liability Programme</u> <u>Excess of Loss</u>					
1 st Layer	Risks attaching in 12 months at 1 January 2009	£10,000,000 xs £1,000,000	2 Free, except EL which are unlimited	TPF Only	EL/PL/Pet Liability/Travel Liability

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **UK Insurance Limited – In Respect of Tesco Personal Finance Only**

Global Business

Financial year ended **31 December 2009**

Description of Cover	Period Covered	Limits		Reinstatements	Remarks	Risk Group
Travel Programme Excess of Loss						
1 st Layer	Losses occurring in 12 months at 1 st January 2009	£500,000	xs £500,000	4 at 100% AP	TPF Only	Accident / Travel
2 nd Layer	Losses occurring in 12 months at 1 st January 2009	£1,000,000	xs £1,000,000	2 at 100% AP	TPF Only	Accident / Travel
3 rd Layer	Losses occurring in 12 months at 1 st January 2009	£8,000,000	xs £2,000,000	1 at 100% AP	TPF Only	Accident / Travel
4 th Layer	Losses occurring in 12 months at 1 st January 2009	£10,000,000	xs £10,000,000	1 at 100% AP	TPF Only	Accident / Travel

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

Accounting Class	Facultative reinsurance ceded	Non facultative reinsurance ceded	Total Ceded
	£000	£000	£000
120	-	2,021	2,021
160	-	10,044	10,044
180	-	3	3
409	-	263	263
Total	0	12,330	12,330

Summary of maximum probable losses per risk group, net of reinsurance, for any one incident or series of incidents arising from the same originating cause from.

	Any one contract of insurance	All such contracts taken together
	£000	£000
Motor	5,000	5,000
Home/ Householders (RMS 1 in 273 year return period for Windstorm and Coastal Inundation combined. RBSI excluding TPF combined policy – includes reinstatement premium)	293,400	293,400
Pet Liability	1,000	1,000
Travel	2,000	2,000
Home Liability	1,000	1,000

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **UK Insurance Limited – In respect of Tesco Personal Finance**

Global Business

Financial year ended **31 December 2009**

Accounting Class	Facultative reinsurance ceded	Non facultative reinsurance ceded	Total Ceded
	£000	£000	£000
120	-	13,533	13,533
160	-	7,046	7,046
180	-	107	107
409	-	199	199
Total	0	20,885	20,885

Summary of maximum probable losses per risk group, net of reinsurance, for any one incident or series of incidents arising from the same originating cause from.

	Any one contract of insurance	All such contracts taken together
	£000	£000
Motor	4,000	4,000
Home/ Householders (RMS 1 in 175 year return period for Windstorm and Coastal Inundation combined. TPF policy – includes Reinstatement premium)	28,000	28,000
Pet Liability	1,000	1,000
Travel	500	500
Home Liability - TPF	1,000	1,000

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32A – Additional information on Financial Reinsurance and Financing arrangements: general insurers.

Name of Company **UK Insurance Ltd**

Global Business

Financial year ended **31 December 2009**

UK Insurance Ltd has no financial reinsurance agreements or similar financing arrangements in respect of ceded business.

All major reinsurance arrangements are controlled centrally within RBS Insurance in accordance with the Reinsurance Policy approved by the Board. The Policy specifies the forms of reinsurance that can be used and this list does not include financial reinsurances. Any reinsurance arrangements that fall outside the policy must be specifically approved by the Board and reinsurance expenditure approval resides with a small number of senior managers who are conversant with the policy. The operation of the reinsurance purchase process and the compliance with the reinsurance policy are subject to regular internal and external audits.

Any reinsurance contract that is accounted for as reinsurance must be processed within the reinsurance accounting processes and have followed the purchase and approval procedures defined within the Reinsurance Policy. To be an acceptable form of reinsurance within the Reinsurance Policy there must be an adequate degree of risk transfer.

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.29 – Additional information on Derivative and Quasi-Derivative Contracts

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

a) The following guidelines govern the use by the Company of derivative contracts;

Agreement is required from the Investment Committee for any direct exposure to derivatives;

The use of derivatives is permitted as and when required (e.g. to help protect the Company's solvency position) and the need for this is determined from time to time by the Investment Manager in liaison with the Funds Management Committee and other appropriate individuals;

The responsibility for the administration of the investments lies with the Finance Department so as, amongst other things, to ensure that the use of derivatives is monitored independently and any unauthorised use is immediately recognised;

All margin payments are required to be authorised by the Finance Department;

At all times the distribution of assets must be within the ranges specified in the investment policy when derivatives are taken into account. For forward contracts the test is on the basis that the contracts are settled. For option contracts the test must be satisfied both assuming that the option is exercised and that the option is not exercised;

The liabilities associated with certain derivatives based products are backed by deposits that values of which are based on the movements in the FTSE 100 Share index. The value of these deposits is guaranteed not to fall below a given level either at maturity or at certain dates during their terms. The Company has counterparty risk only. Counterparties are required to be rated at least AA for long-term deposits in accordance with the requirements of our ultimate holding company.

b) The Company's investment guidelines, as noted above, allow, amongst other things, for the use of derivatives in order to protect the Company's solvency position. Such contracts may involve rights or obligations to acquire or dispose of assets which were not, at the time the contract was entered into, reasonably likely to be exercised. All derivative contracts were entered into for hedging purposes. The expectation was, at the point of being taken out, that they were not likely to be exercised, namely that the markets would not fall below levels specify in the contracts;

c) There were no derivative contracts outstanding at 31 December.

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.30 – Additional information on Controllers

Name of Company **UK Insurance Limited**

Global Business

Financial year ended **31 December 2009**

The following persons have been shareholder controllers of the Company during the year ended 31 December 2009;

- 1) Green Flag Holdings Limited (GFH)
Percentage of shares in the Company held: 100%
Percentage of votes in the Company held: 100%
- 2) Direct Line Group Limited (DLG)
Percentage of shares in GFH held: 100%
Percentage of votes in GFH held: 100%
- 3) RBS Insurance Group Limited (RBSIG)
Percentage of shares in DLG held: 100%
Percentage of votes in DLG held: 100%
- 4) The Royal Bank of Scotland Group Plc
Percentage of shares in RBSIG held: 100%
Percentage of votes in RBSIG held: 100%
- 5) The Solicitor for the Affairs of Her Majesty's Treasury as Nominee for Her Majesty's Treasury
(UK Financial Investments Limited manages the shareholding)
Percentage of shares in The Royal Bank of Scotland Group Plc: 70%
Percentage of votes in The Royal Bank of Scotland Group Plc: 70%

Rule 9.34 DIRECTORS' CERTIFICATE


UK INSURANCE COMPANY LIMITED

Financial year ended 31 December 2009

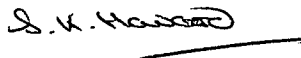
Certificate required by Rule 9.34 (Chapter 9 'Financial Reporting – Accounts and Statements') of the Interim Prudential Sourcebook for Insurers

We certify that:

1. the return, comprising Forms 1, 3, 11 to 13, 15 to 16, 20A, 20 to 23, 31, 32, 37 and 38 (including the supplementary notes) and the statements required by rules 9.25, 9.26, 9.27, 9.29, 9.30, 9.32 and 9.32A, has been properly prepared in accordance with the Accounts and Statements Rules set out in part I and part IV of chapter 9 of IPRU(INS), the Interim Prudential Sourcebook for Insurers, GENPRU, the General Prudential Sourcebook and INSPRU, the Prudential Sourcebook for Insurers; and
2. the directors are satisfied that:
 - (i) throughout the financial year, the Company has complied in all material respects with the requirements in SYSC, Senior Management Arrangements, Systems and Controls, and PRIN, Principles for Business, sections of the FSA Handbook as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
 - (ii) it is reasonable to believe that the Company has continued so to comply subsequently, and will continue so to comply in future.



Director



Director



Director

18 March 2010

AUDITORS' REPORT

UK INSURANCE COMPANY LIMITED

Financial year ended 31 December 2009

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 I and part IV of 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 to 16, 20A, 20 to 23, 31, 32, 37 and 38, (including the supplementary notes) on pages 3 to 63 ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 on pages 64 to 66 and 9.29 on pages 81 ("the Statements").

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

- the statements required by IPRU(INS) rules 9.30 on page 82, 9.32 and 9.32A on pages 67 to 80; and
- the directors' certificate required by IPRU(INS) rule 9.34 on page 83 ("the directors' certificate").

Our report is provided to the directors of UK Insurance Limited in accordance with IPRU(INS) 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, the Statements, the statements not examined by us and the directors' certificate) under the provisions of the Rules. The requirements of the Rules have been modified by a waiver issued under section 148 of the Financial Services and Markets Act 2000 on 16 June 2009. Under IPRU(INS) rule 9.11 the Forms, the Statements, the statements not examined by us and the directors' certificate 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 opinions to you. We also report to you if, in our opinion, the company has not kept proper accounting records or we have not received all the information we require for our examination.

AUDITORS' REPORT continued

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 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 the Statements.

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 Statements 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 as modified and have been properly prepared in accordance with the provisions of those Rules.

Deloitte LLP
Deloitte LLP

Chartered Accountants & Statutory Auditors
London, United Kingdom

Date *15 March 2010*