

ReAssure Ltd

Annual PRA Insurance Returns for the year ended

31 December 2014

IPRU(INS) Appendices 9.1, 9.2, 9.3, 9.4, 9.4A, 9.5, 9.6

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Statement of solvency - general insurance businessName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units
R1	754167	GL	31	12	2014	£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	740504	739575
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	737602	736430
Capital resources available to cover general insurance business capital resources requirement (11-12)	13	2902	3146

Guarantee fund

Guarantee fund requirement	21	2902	3146
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	0	

Minimum capital requirement (MCR)

General insurance capital requirement	31	272	1164
Base capital resources requirement	33	2902	3146
Individual minimum capital requirement	34	2902	3146
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	2902	3146
Excess (deficiency) of available capital resources to cover 50% of MCR	37	1451	1573
Excess (deficiency) of available capital resources to cover 75% of MCR	38	725	786

Capital resources requirement (CRR)

Capital resources requirement	41	2902	3146
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	0	0

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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Statement of solvency - long-term insurance business

Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

Solo solvency calculation

Solo solvency calculation			Company registration number		GL/ UK/ CM		day month year			Units		
R2			754167		GL		31	12	2014		£000	
							As at end of this financial year			As at end of the previous year		
							1			2		

Capital resources

Capital resources arising within the long-term insurance fund	11	1330813	1248677
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	737602	736430
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	2068415	1985107

Guarantee fund

Guarantee fund requirement	21	141743	137992
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	1926671	1847113

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	425229	413977
Resilience capital requirement	32		
Base capital resources requirement	33	2902	3146
Individual minimum capital requirement	34	425229	413977
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	425229	413977
Excess (deficiency) of available capital resources to cover 50% of MCR	37	1855799	1778117
Excess (deficiency) of available capital resources to cover 75% of MCR	38	1749492	1674622

Enhanced capital requirement

With-profits insurance capital component	39	775803	758255
Enhanced capital requirement	40	1201032	1172231

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	1201032	1172231
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	867382	812875

Contingent liabilities

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

Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	754167	GL	31	12	2014	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Core tier one capital

Permanent share capital	11		288868	288868	2943
Profit and loss account and other reserves	12	2902	877394	880296	878103
Share premium account	13		134075	134075	
Positive valuation differences	14		880303	880303	884453
Fund for future appropriations	15		11687	11687	11882
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19	2902	2192327	2195229	1777380

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				260000
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	2902	2192327	2195229	2037380
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39	2902	2192327	2195229	2037380

Components of capital resources

Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	754167	GL	31	12	2014	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Tier two capital

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

Fixed term preference shares	51				
Other tier two instruments	52		100000	100000	100000
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59		100000	100000	100000

Total tier two capital before restrictions (49+59)	61		100000	100000	100000
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69		100000	100000	100000

Components of capital resources

Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	754167	GL	31	12	2014	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72	2902	2292327	2295229	2137380
Inadmissible assets other than intangibles and own shares	73		223913	223913	149129
Assets in excess of market risk and counterparty limits	74				
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	2902	2068414	2071316	1988251

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	2902	2068414	2071316	1988251
Available capital resources for 50% MCR requirement	82	2902	2068414	2071316	1988251
Available capital resources for 75% MCR requirement	83	2902	2068414	2071316	1988251

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 amountName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

General insurance business

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R11	754167	GL	31	12	2014	£000
				This financial year 1			Previous year 2	
Gross premiums written			11	48			1111	
Premiums taxes and levies (included in line 11)			12					
Premiums written net of taxes and levies (11-12)			13	48			1111	
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	48			1111	
Gross premiums earned			21	58			1117	
Premium taxes and levies (included in line 21)			22					
Premiums earned net of taxes and levies (21-22)			23	58			1117	
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	58			1117	
Sub-total I (higher of sub-total A and sub-total H)			30	58			1117	
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure			31	58			1117	
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18	32	10			201		
	Excess (if any) over 61.3M EURO x 0.02	33						
Sub-total J (32-33)			34	10			201	
Claims paid in period of 3 financial years			41	2824			3162	
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	499			2138		
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	2278			1625		
Sub-total C (41+42+43-44-45)			46	1045			3675	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47					
Sub-total D (46-47)			48	1045			3675	
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)			49	1.00			1.00	
Premiums amount (Sub-total J x reinsurance ratio)			50	10			201	
Provision for claims outstanding (before discounting and net of reinsurance)			51	499			2138	
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	272			1164	
Greater of lines 50 and 53			54	272			1164	

Calculation of general insurance capital requirement - premiums amount and brought forward amountName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

Long term insurance business

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R11	754167	GL	31	12	2014	£000
				This financial year 1			Previous year 2	
Gross premiums written		11	51685			54972		
Premiums taxes and levies (included in line 11)		12						
Premiums written net of taxes and levies (11-12)		13	51685			54972		
Premiums for classes 11, 12 or 13 (included in line 13)		14						
Premiums for "actuarial health insurance" (included in line 13)		15	36987			39010		
Sub-total A (13 + 1/2 14 - 2/3 15)		16	27028			28966		
Gross premiums earned		21	51685			54972		
Premium taxes and levies (included in line 21)		22						
Premiums earned net of taxes and levies (21-22)		23	51685			54972		
Premiums for classes 11, 12 or 13 (included in line 23)		24						
Premiums for "actuarial health insurance" (included in line 23)		25	36987			39010		
Sub-total H (23 + 1/2 24 - 2/3 25)		26	27028			28966		
Sub-total I (higher of sub-total A and sub-total H)		30	27028			28966		
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	4865			5214		
	Excess (if any) over 61.3M EURO x 0.02	33						
Sub-total J (32-33)		34	4865			5214		
Claims paid in period of 3 financial years		41	124481			121290		
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	95031			90483		
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	90754			94857		
Sub-total C (41+42+43-44-45)		46	128757			116916		
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	18730			3590		
Sub-total D (46-47)		48	110027			113326		
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)		49	0.85			0.97		
Premiums amount (Sub-total J x reinsurance ratio)		50	4157			5054		
Provision for claims outstanding (before discounting and net of reinsurance)		51	90330			91810		
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	5096			5068		
Greater of lines 50 and 53		54	5096			5068		

Calculation of general insurance capital requirement - claims amount and resultName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	754167	GL	31	12	2014	£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	2824			3162	
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	499			2138	
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	2278			1625	
Claims incurred in reference period (21+22+23-24-25)			26	1045			3675	
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	1045			3675	
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	348			1225	
Division of sub-total F (gross adjusted claims amount)	x 0.26		32	91			319	
	Excess (if any) over 42.9M EURO x 0.03		33					
Sub-total G (32-33)			39	91			319	
Claims amount Sub-total G x reinsurance ratio (11.49)			41	91			319	
Higher of premiums amount and brought forward amount (11.54)			42	272			1164	
General insurance capital requirement (higher of lines 41 and 42)			43	272			1164	

Calculation of general insurance capital requirement - claims amount and resultName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

Long term insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	754167	GL	31	12	2014	£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	124481			121290	
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	95031			90483	
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	90754			94857	
Claims incurred in reference period (21+22+23-24-25)			26	128757			116916	
Claims incurred for classes 11, 12 or 13 (included in 26)			27					
Claims incurred for "actuarial health insurance" (included in 26)			28	86524			82884	
Sub-total E (26 +1/2 27 - 2/3 28)			29	71075			61660	
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	23692			20553	
Division of sub-total F (gross adjusted claims amount)	x 0.26		32	6160			5344	
	Excess (if any) over 42.9M EURO x 0.03		33					
Sub-total G (32-33)			39	6160			5344	
Claims amount Sub-total G x reinsurance ratio (11.49)			41	5264			5180	
Higher of premiums amount and brought forward amount (11.54)			42	5096			5068	
General insurance capital requirement (higher of lines 41 and 42)			43	5264			5180	

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**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	754167	GL	31	12	2014	£000	1
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings				11	3000		2500	

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	103	103
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares		41		
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43		37845
Rights under derivative contracts		44	(28)	
Fixed interest securities	Approved	45	408861	188231
	Other	46		
Variable interest securities	Approved	47		
	Other	48		
Participation in investment pools		49		
Loans secured by mortgages		50		
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52		
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	316827	506674
	More than one month withdrawal	55		
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**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	754167	GL	31	12	2014	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reinsurers' share of technical provisions

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

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	5256	4159
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	2019	1059
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	5869	1291
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	741906	741862
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Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**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	754167	GL	31	12	2014	£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	741906	741862
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	(1401)	(3000)
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	740505	738862
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **Total long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	754167	GL	31	12	2014	£000	10
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings				11	460822		378640	

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	5063	5563
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares		41	482805	458068
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	253566	180169
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	2350238	2426923
	Other	46	6392504	6115625
Variable interest securities	Approved	47	92005	126127
	Other	48	11496	13316
Participation in investment pools		49		
Loans secured by mortgages		50	590	769
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	7679	8270
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	128148	77670
	More than one month withdrawal	55		
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58	861565	806122
	Property linked	59	14070266	14310197

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **Total long term insurance business assets**

Company registration number		GL/ UK/ CM	day month year			Units	Category of assets
R13	754167	GL	31	12	2014	£000	10
					As at end of this financial year		As at end of the previous year
					1		2

Reinsurers' share of technical provisions

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

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	12554	4238
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	72977	114680
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	98821	120781
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	149245	157967
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	2469	2575

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	25452813	25307699
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Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **Total long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	754167	GL	31	12	2014	£000	10
						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	25452813	25307699
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	111229	133746
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	(224)	(224)
Deferred acquisition costs excluded from line 89	99	112684	15383
Reinsurers' share of technical provisions excluded from line 89	100	583025	570715
Other asset adjustments (may be negative)	101	99436	16316
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	26358962	26043635
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103	9862	929

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **With Profit Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	754167	GL	31	12	2014	£000	21
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11			58136	38247

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares		41	57876	54170
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	65350	63882
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	269923	324786
	Other	46	635893	638160
Variable interest securities	Approved	47	0	3927
	Other	48		2730
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	259	331
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	309	1749
	More than one month withdrawal	55		
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58	150256	139723
	Property linked	59	6190846	6204913

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **With Profit Fund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	754167	GL	31	12	2014	£000	21
					As at end of this financial year		As at end of the previous year
					1		2

Reinsurers' share of technical provisions

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

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	5734	7538
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	2939	759
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	14000	16506
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	96	116

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	7451619	7497538
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Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **With Profit Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	754167	GL	31	12	2014	£000	21
						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	7451619	7497538
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	7451619	7497538
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **National Mutual Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	754167	GL	31	12	2014	£000	22
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11	231263		173826	

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	5063	5063
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares		41	424929	403898
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	151771	116287
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	343363	317389
	Other	46	464976	565531
Variable interest securities	Approved	47		
	Other	48	11496	10586
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	101	141
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55		
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **National Mutual Fund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	754167	GL	31	12	2014	£000	22
					As at end of this financial year		As at end of the previous year
					1		2

Reinsurers' share of technical provisions

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

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	510	170
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	4400	1451
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	9952	16336
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	754	835

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	1648578	1611514
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Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **National Mutual Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	754167	GL	31	12	2014	£000	22
					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	1648578	1611514
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	(224)	(224)
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	1648354	1611290
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **Non Profit Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	754167	GL	31	12	2014	£000	31
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11			171424	166567

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		500
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares		41		
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	36445	
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	1736951	1784748
	Other	46	5291634	4911934
Variable interest securities	Approved	47	92005	122200
	Other	48		
Participation in investment pools		49		
Loans secured by mortgages		50	590	769
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	7319	7798
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	127839	75921
	More than one month withdrawal	55		
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58	711309	666399
	Property linked	59	7879420	8105284

Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **Non Profit Fund**

Company registration number		GL/UK/CM	day	month	year	Units	Category of assets
R13	754167	GL	31	12	2014	£000	31
					As at end of this financial year		As at end of the previous year
					1		2

Reinsurers' share of technical provisions

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

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	12554	4238
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	66733	106971
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	91481	118571
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	125293	125124
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	1618	1624

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	16352616	16198648
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Analysis of admissible assetsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Category of assets **Non Profit Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	754167	GL	31	12	2014	£000	31
						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	16352616	16198648
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	111229	133746
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	112684	15383
Reinsurers' share of technical provisions excluded from line 89	100	583025	570715
Other asset adjustments (may be negative)	101	99436	16316
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	17258989	16934808
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103	9862	929

Long term insurance business liabilities and margins

Name of insurer **ReAssure Ltd**
Global business
Financial year ended **31 December 2014**
Total business/Sub fund **Summary**
Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus		11	23499182	23376890
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12		
Balance of surplus/(valuation deficit)		13	883041	800905
Long term insurance business fund carried forward (11 to 13)		14	24382223	24177795
Claims outstanding	Gross	15	145666	151172
	Reinsurers' share	16	5631	1357
	Net (15-16)	17	140035	149815
Provisions	Taxation	21		
	Other risks and charges	22	62	123
Deposits received from reinsurers		23	157914	160077
Creditors	Direct insurance business	31	23024	18751
	Reinsurance accepted	32	5781	1665
	Reinsurance ceded	33	38428	30861
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36		
Creditors	Taxation	37	50705	15648
	Other	38	206869	305193
Accruals and deferred income		39		
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49	622818	682132
Excess of the value of net admissible assets		51	447772	447772
Total liabilities and margins		59	25452813	25307699

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	28494	24017
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	14019575	14258280

Total liabilities (11+12+49)	71	24122000	24059022
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73	583025	570715
Other adjustments to liabilities (may be negative)	74	980917	900545
Capital and reserves and fund for future appropriations	75	673020	513353
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76	26358962	26043635

Long term insurance business liabilities and margins

Name of insurer **ReAssure Ltd**
Global business
Financial year ended **31 December 2014**
Total business/Sub fund **Non Profit Fund**
Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus		11	15470138	15393147
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12		
Balance of surplus/(valuation deficit)		13	332344	272907
Long term insurance business fund carried forward (11 to 13)		14	15802482	15666054
Claims outstanding	Gross	15	105699	104747
	Reinsurers' share	16	5631	1357
	Net (15-16)	17	100068	103390
Provisions	Taxation	21		
	Other risks and charges	22	62	123
Deposits received from reinsurers		23	157914	160077
Creditors	Direct insurance business	31	23024	18751
	Reinsurance accepted	32	5781	1665
	Reinsurance ceded	33	38428	30861
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36		
Creditors	Taxation	37	25491	(408)
	Other	38	199366	218135
Accruals and deferred income		39		
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49	550134	532595
Excess of the value of net admissible assets		51		
Total liabilities and margins		59	16352616	16198649

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	28494	24017
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	7828729	8053369

Total liabilities (11+12+49)	71	16020272	15925742
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76		

Long term insurance business liabilities and margins

Name of insurer **ReAssure Ltd**
Global business
Financial year ended **31 December 2014**
Total business/Sub fund **With Profit Fund**
Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus		11	7202554	7186718
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12		
Balance of surplus/(valuation deficit)		13	189598	185626
Long term insurance business fund carried forward (11 to 13)		14	7392152	7372344
Claims outstanding	Gross	15	33218	40421
	Reinsurers' share	16		
	Net (15-16)	17	33218	40421
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		23		
Creditors	Direct insurance business	31		
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36		
Creditors	Taxation	37	22929	14914
	Other	38	3318	69856
Accruals and deferred income		39		
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49	59465	125191
Excess of the value of net admissible assets		51	1	1
Total liabilities and margins		59	7451619	7497537

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	6190846	6204911

Total liabilities (11+12+49)	71	7262019	7311909
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76		

Long term insurance business liabilities and margins

Name of insurer **ReAssure Ltd**
Global business
Financial year ended **31 December 2014**
Total business/Sub fund **National Mutual Fund**
Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus		11	826491	797025
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12		
Balance of surplus/(valuation deficit)		13	361099	342372
Long term insurance business fund carried forward (11 to 13)		14	1187590	1139397
Claims outstanding	Gross	15	6749	6004
	Reinsurers' share	16		
	Net (15-16)	17	6749	6004
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		23		
Creditors	Direct insurance business	31		
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36		
Creditors	Taxation	37	2285	1141
	Other	38	4185	17201
Accruals and deferred income		39		
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49	13218	24346
Excess of the value of net admissible assets		51	447771	447771
Total liabilities and margins		59	1648578	1611513

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		

Total liabilities (11+12+49)	71	839709	821371
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76		

Liabilities (other than long term insurance business)Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R15	754167	GL	31	12	2014	£000
			As at end of this financial year 1			As at end of the previous year 2

Technical provisions (gross amount)

Provisions for unearned premiums		11			10
Claims outstanding		12		499	2138
Provision for unexpired risks		13			
Equalisation provisions	Credit business	14			
	Other than credit business	15			
Other technical provisions		16			
Total gross technical provisions (11 to 16)		19		499	2148

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47		
	Foreseeable dividend	48		
	Other	49	904	138
Accruals and deferred income		51		
Total (19 to 51)		59	1403	2287
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	1403	2287

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		
Other adjustments (may be negative)	83	(1401)	(3000)
Capital and reserves	84	740504	739575
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	740506	738862

Profit and loss account (non-technical account)Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	754167	GL	31	12	2014	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account		From Form 20	11	51			407	
		Equalisation provisions	12					
Transfer from the long term insurance business revenue account			13	240000			407352	
Investment income	Income		14	1924			5617	
	Value re-adjustments on investments		15	4707			2506	
	Gains on the realisation of investments		16	1455			526	
Investment charges	Investment management charges, including interest		17	7968			5863	
	Value re-adjustments on investments		18	2356			993	
	Loss on the realisation of investments		19	3470			6647	
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	(614)			(4211)	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29	233729			398692	
Tax on profit or loss on ordinary activities			31	(2201)			(371)	
Profit or loss on ordinary activities after tax (29-31)			39	235930			399063	
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	235930			399063	
Dividends (paid or foreseeable)			51	395000			322000	
Profit or loss retained for the financial year (49-51)			59	(159070)			77063	

With-profits insurance capital component for the fund

Name of insurer **ReAssure Ltd**

With-profits fund **With Profit Fund**

Financial year ended **31 December 2014**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11	7451620	7497536
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	6902140	6897786
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	864	741
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	548616	599009
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21	300415	288932
	Regulatory current liabilities of the fund	22	59465	125191
	Total (21+22)	29	359880	414123
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	12069	11613
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	371949	425736
Regulatory excess capital (19-39)		49	176667	173273

Realistic excess capital

Realistic excess capital	51		
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Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	176667	173273
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	492360	484062
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	66		

With-profits insurance capital component for the fund

Name of insurer **ReAssure Ltd**

With-profits fund **National Mutual Fund**

Financial year ended **31 December 2014**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11	1648578	1611512
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	52430	43743
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	2114	1764
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	1594034	1566005
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21	774060	753280
	Regulatory current liabilities of the fund	22	13218	24346
	Total (21+22)	29	787278	777626
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	30953	30124
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	818231	807750
Regulatory excess capital (19-39)		49	775803	758255

Realistic excess capital

Realistic excess capital	51		
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Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	775803	758255
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64		
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	66	775803	758255

Realistic balance sheet

Name of insurer **ReAssure Ltd**
 With-profits fund **With Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Realistic value of assets available to the fund

Regulatory value of assets	11	548616	599009
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	427494	447832
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	976110	1046841
Support arrangement assets	27		
Assets available to the fund (26+27)	29	976110	1046841

Realistic value of liabilities of fund

With-profits benefit reserve		31	259870	258982
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	119752	102751
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	52502	51480
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	7182	5856
	Future costs of contractual guarantees (other than financial options)	41	24118	32678
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	31579	23762
	Future costs of smoothing (possibly negative)	44		
	Financing costs	45	426630	447091
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	9376	10762
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	656775	662668
Realistic current liabilities of the fund		51	59465	125191
Realistic value of liabilities of fund (31+49+51)		59	976110	1046841

Realistic balance sheet

Name of insurer **ReAssure Ltd**
 With-profits fund **With Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
--	--

Realistic excess capital and additional capital available

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	62	976110	1046841
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+63)	64	976110	1046841
Risk capital margin for fund (62-59)	65		
Realistic excess capital for fund (26-(59+65))	66		
Realistic excess available capital for fund (29-(59+65))	67		
Working capital for fund (29-59)	68		
Working capital ratio for fund (68/29)	69		

Other assets potentially available if required to cover the fund's risk capital margin

Additional amount potentially available for inclusion in line 62	81	690717	639601
Additional amount potentially available for inclusion in line 63	82		

Realistic balance sheet

Name of insurer **ReAssure Ltd**
 With-profits fund **National Mutual Fund**
 Financial year ended **31 December 2014**
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Realistic value of assets available to the fund

Regulatory value of assets	11	1594034	1566005
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	2114	1764
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	1596148	1567769
Support arrangement assets	27		
Assets available to the fund (26+27)	29	1596148	1567769

Realistic value of liabilities of fund

With-profits benefit reserve		31	1047619	1040753
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	246779	247923
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	149759	151550
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	10664	7702
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	128109	95495
	Future costs of smoothing (possibly negative)	44		
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47		
Total (32+34+41+42+43+44+45+46+47-(33+35+36))		49	535311	502670
Realistic current liabilities of the fund		51	13218	24346
Realistic value of liabilities of fund (31+49+51)		59	1596148	1567769

Realistic balance sheet

Name of insurer **ReAssure Ltd**

With-profits fund **National Mutual Fund**

Financial year ended **31 December 2014**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Realistic excess capital and additional capital available

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	62	1596148	1567769
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+63)	64	1596148	1567769
Risk capital margin for fund (62-59)	65		
Realistic excess capital for fund (26-(59+65))	66		
Realistic excess available capital for fund (29-(59+65))	67		
Working capital for fund (29-59)	68		
Working capital ratio for fund (68/29)	69		

Other assets potentially available if required to cover the fund's risk capital margin

Additional amount potentially available for inclusion in line 62	81	690717	639601
Additional amount potentially available for inclusion in line 63	82		

General insurance business : Summary of business carried on

Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

		Company registration number	GL/ UK/ CM	day month year			units	
		R20A	754167	GL	31	12	2014	£000
Category number	PRA return general insurance business reporting category		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			
001	Total business	1	48	104	395			
002	Total primary (direct) and facultative business	2	48	104	395			
003	Total treaty reinsurance accepted business	3						
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4	48	104	395			
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5						
160	Primary (direct) and facultative household and domestic all risks	6						
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7						
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8						
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9						
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10						
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11						
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12						
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13						
350	Total primary (direct) and facultative goods in transit	14						
400	Miscellaneous primary (direct) and facultative business	15						
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16						
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17						
700	Miscellaneous treaty reinsurance accepted business	18						
	Total (lines 4 to 18)	20	48	104	395			

General insurance business : Summary of business carried onName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

		Company registration number	GL/ UK/ CM	day month year			units	
		R20A	754167	GL	31	12	2014	£000
Category number	PRA 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		

Primary (direct) and facultative personal lines business

111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23				
114	Personal accident or sickness	24	48	104	395	
121	Private motor - comprehensive	25				
122	Private motor - non-comprehensive	26				
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28				
181	Assistance	29				
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32				
185	Mortgage indemnity	33				
186	Pet insurance	34				
187	Other personal financial loss	35				

Primary (direct) and facultative commercial lines business

221	Fleets	41				
222	Commercial vehicles (non-fleet)	42				
223	Motor other	43				
261	Commercial property	44				
262	Consequential loss	45				
263	Contractors or engineering all risks	46				
271	Employers liability	47				
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 on

Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**

		Company registration number	GL/ UK/ CM	day month year			units	
		R20A	754167	GL	31	12	2014	£000
Category number	PRA 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		

Primary (direct) and facultative marine and transport

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

Primary (direct) and facultative miscellaneous

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

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

Proportional treaty

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

Treaty Reinsurance Miscellaneous

700	Miscellaneous treaty reinsurance accepted business (equals line 18)	101				
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	Total (lines 21 to 101)	111	48	104	395	
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General insurance business : Technical account (excluding equalisation provisions)Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	754167	GL	31	12	2014	£000	001
Items to be shown net of reinsurance				This financial year 1				Previous year 2	
This year's underwriting (accident year accounting)	Earned premium	(21.19.5)	11	58				1103	
	Claims incurred	(22.17.4)	12	0				445	
	Claims management costs	(22.18.4)	13					57	
	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	7				194	
	Balance of year's underwriting (11-12-13+14-15+16-17)		19	51				407	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	(21.11.5)	21						
	Claims incurred	(22.13.4)	22						
	Claims management costs	(22.14.4)	23						
	Adjustment for discounting	(22.51.4)	24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses	(22.41.4)	26						
	Balance (21-22-23+24+25-26)		29						
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	51				407	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59	51				407	

General insurance business : Technical account (excluding equalisation provisions)Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	754167	GL	31	12	2014	£000	002
Items to be shown net of reinsurance				This financial year 1				Previous year 2	
This year's underwriting (accident year accounting)	Earned premium	(21.19.5)	11	58				1103	
	Claims incurred	(22.17.4)	12	0				445	
	Claims management costs	(22.18.4)	13					57	
	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	7				194	
	Balance of year's underwriting (11-12-13+14-15+16-17)		19	51				407	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	(21.11.5)	21						
	Claims incurred	(22.13.4)	22						
	Claims management costs	(22.14.4)	23						
	Adjustment for discounting	(22.51.4)	24						
	Other technical income or charges (particulars to be specified by way of supplementary note)		25						
	Net operating expenses	(22.41.4)	26						
	Balance (21-22-23+24+25-26)		29						
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	51				407	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59	51				407	

General insurance business : Technical account (excluding equalisation provisions)Name of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total primary (direct) and facultative accident and health**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	754167	GL	31	12	2014	£000	110
Items to be shown net of reinsurance				This financial year 1				Previous year 2	
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	58				1103		
	Claims incurred (22.17.4)	12	0				445		
	Claims management costs (22.18.4)	13					57		
	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	7				194		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	51				407		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22							
	Claims management costs (22.14.4)	23							
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
	Balance (21-22-23+24+25-26)	29							
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	51				407		
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	51				407		

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

Name of insurer

ReAssure Ltd

Global business

Financial year ended

31 December 2014

Total business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R21	754167	GL	31	12	2014	£000	001
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5			
In respect of risks incepted in previous financial years		11							
			Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4	Earned In this financial year 5	Unearned at end o 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	48				48		
	For periods of 12 months	14							
	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	10				10		
Total (12 to 16)		19	58				58		

General insurance business (accident year accounting) : Analysis of premiumsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R21	754167	GL	31	12	2014	£000	002
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years 1		Earned in previous financial years 3			Earned in previous financial years 5		
In respect of risks incepted in previous financial years		11							
			Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4	Earned In this financial year 5	Unearned at end of this financial year 6	
In respect of risks incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13	48				48		
	For periods of 12 months	14							
	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	10				10		
Total (12 to 16)		19	58				58		

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

Name of insurer

ReAssure Ltd

Global business

Financial year ended

31 December 2014

Total primary (direct) and facultative accident and health

			Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
			R21	754167	GL	31	12	2014	£000	110
Premiums receivable during the financial year			Gross premiums written		Reinsurers' share			Net of reinsurance		
			Earned in previous financial years 1		Earned in previous financial years 3			Earned in previous financial years 5		
In respect of risks incepted in previous financial years		11								
			Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4		Earned In this financial year 5	Unearned at end of this financial year 6	
In respect of risks incepted in previous financial years		12								
In respect of risks incepted in this financial year	For periods of less than 12 months	13	48					48		
	For periods of 12 months	14								
	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	10					10		
Total (12 to 16)		19	58					58		

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisionsName of company **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	754167	GL	31	12	2014	£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	2138	1639		499			
	Reinsurers' share	12							
	Net (11-12)	13	2138	1639		499			
	Claims management costs	14							
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				0		0	
	Reinsurers' share	16							
	Net (15-16)	17				0		0	
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		7				7	
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29		7				7	
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		7				7	
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 provisionsName of company **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	754167	GL	31	12	2014	£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	2138	1639		499			
	Reinsurers' share	12							
	Net (11-12)	13	2138	1639		499			
	Claims management costs	14							
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				0		0	
	Reinsurers' share	16							
	Net (15-16)	17				0		0	
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		7				7	
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29		7				7	
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		7				7	
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 provisionsName of company **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total primary (direct) and facultative accident and health**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R22	754167	GL	31	12	2014	£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	2138	1639		499			
	Reinsurers' share	12							
	Net (11-12)	13	2138	1639		499			
	Claims management costs	14							
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				0		0	
	Reinsurers' share	16							
	Net (15-16)	17				0		0	
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		7				7	
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29		7				7	
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		7				7	
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 premiumsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total business**

Total business											Company registration number	GL/ UK/ CM	day month year			Units	Category number	
											R23	754167	GL	31	12	2014	£000	001
Accident year ended			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 %			
Month	Year					Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)									
			1	2	3	4	5	6	7	8	9	10	11	12	13			
12	2014	11					0				0		58		0.0			
12	2013	12	95	350		307	43		150	200			1104		40.3			
12	2012	13	299	300	97	142	61		145	58			1538		38.9			
12	2011	14				1190		395	1585									
12	2010	15																
12	2009	16																
12	2008	17																
12	2007	18																
12	2006	19																
12	2005	20																
Prior accident years		21																
Reconciliation		22																
Total (11 to 22)		29				1639	104	395	1880	258	0							

General insurance business (accident year accounting) : Analysis of net claims and premiumsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total primary (direct) and facultative business**

financial year ended 31 December 2014

Total primary (direct) and facultative business

											Company registration number	GL/UK/CM	day month year			Units	Category number	
											R23	754167	GL	31	12	2014	£000	002
Accident year ended			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 %			
Month	Year					Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)									
			1	2	3	4	5	6	7	8	9	10	11	12	13			
12	2014	11					0				0		58		0.0			
12	2013	12	95	350		307	43		150	200			1104		40.3			
12	2012	13	299	300	97	142	61		145	58			1538		38.9			
12	2011	14				1190		395	1585									
12	2010	15																
12	2009	16																
12	2008	17																
12	2007	18																
12	2006	19																
12	2005	20																
Prior accident years		21																
Reconciliation		22																
Total (11 to 22)		29				1639	104	395	1880	258	0							

General insurance business (accident year accounting) : Analysis of net claims and premiumsName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014****Total primary (direct) and facultative accident and health**

Total primary (direct) and facultative accident and health											Company registration number	GL/ UK/ CM	day month year			Units	Category number	
											R23	754167	GL	31	12	2014	£000	110
Accident year ended			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 %			
Month	Year						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)								
			1	2	3	4	5	6	7	8	9	10	11	12	13			
12	2014	11					0				0		58		0.0			
12	2013	12	95	350		307	43		150	200			1104		40.3			
12	2012	13	299	300	97	142	61		145	58			1538		38.9			
12	2011	14				1190		395	1585									
12	2010	15																
12	2009	16																
12	2008	17																
12	2007	18																
12	2006	19																
12	2005	20																
Prior accident years		21																
Reconciliation		22																
Total (11 to 22)		29				1639	104	395	1880	258	0							

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

Name of insurer **ReAssure Ltd**Currency **British Pound**

Global business

Reporting Territory **United Kingdom other than home foreign**Financial year ended **31 December 2014****Personal accident or sickness**Company
registration
numberGL/
UK/
CM

day month year

Monetary
unitsCategory
numberCurrency
codeReporting
territory
code

R31	754167	GL	31	12	2014	000	114	GBP	AA
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Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		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 %
Month	Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported			
			1	2	3	4	5	6	7	8	9	10	11
12	2014	11					0				0	58	0.0
12	2013	12	57	10	96	307	43		150	200		1117	39.9
12	2012	13	55	7	396	142	61		145	58		1575	38.0
12	2011	14			693	1190		395	1585				
12	2010	15											
12	2009	16											
12	2008	17											
12	2007	18											
12	2006	19											
12	2005	20											
Prior accident years		21											
Total (11 to 21)		29		17		1639	104	395	1880	258	0		
Line 29 expressed in sterling		30				1639	104	395	1880	258	0		

Long-term insurance business : Revenue account

Name of insurer **ReAssure Ltd**
 Total business / subfund **Summary**
 Financial year ended **31 December 2014**
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Income

Earned premiums	11	69775	270028
Investment income receivable before deduction of tax	12	916742	886349
Increase (decrease) in the value of non-linked assets brought into account	13	899187	(467409)
Increase (decrease) in the value of linked assets	14	215588	1527098
Other income	15		
Total income	19	2101292	2216065

Expenditure

Claims incurred	21	1394036	1774654
Expenses payable	22	189139	82259
Interest payable before the deduction of tax	23	10465	15972
Taxation	24	63222	18651
Other expenditure	25		61395
Transfer to (from) non technical account	26	240000	407352
Total expenditure	29	1896863	2360283

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	204429	(144218)
Fund brought forward	49	24177795	24322013
Fund carried forward (39+49)	59	24382223	24177796

Long-term insurance business : Revenue account

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Income

Earned premiums	11	35474	231314
Investment income receivable before deduction of tax	12	590439	572049
Increase (decrease) in the value of non-linked assets brought into account	13	710572	(466091)
Increase (decrease) in the value of linked assets	14	109147	908700
Other income	15		
Total income	19	1445633	1245972

Expenditure

Claims incurred	21	905468	1184707
Expenses payable	22	162431	54859
Interest payable before the deduction of tax	23	10088	15765
Taxation	24	39783	3091
Other expenditure	25		61395
Transfer to (from) non technical account	26	191435	338756
Total expenditure	29	1309205	1658574

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	136428	(412602)
Fund brought forward	49	15666054	16078657
Fund carried forward (39+49)	59	15802482	15666055

Long-term insurance business : Revenue account

Name of insurer **ReAssure Ltd**
 Total business / subfund **With Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Income

Earned premiums	11	33294	29608
Investment income receivable before deduction of tax	12	259365	243701
Increase (decrease) in the value of non-linked assets brought into account	13	94575	(32069)
Increase (decrease) in the value of linked assets	14	106441	618399
Other income	15		
Total income	19	493675	859640

Expenditure

Claims incurred	21	380035	427468
Expenses payable	22	23075	22038
Interest payable before the deduction of tax	23	316	160
Taxation	24	21876	15116
Other expenditure	25		
Transfer to (from) non technical account	26	48565	68596
Total expenditure	29	473867	533378

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	19808	326262
Fund brought forward	49	7372344	7046082
Fund carried forward (39+49)	59	7392152	7372344

Long-term insurance business : Revenue account

Name of insurer **ReAssure Ltd**
Total business / subfund **National Mutual Fund**
Financial year ended **31 December 2014**
Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Income

Earned premiums	11	1007	9106
Investment income receivable before deduction of tax	12	66937	70598
Increase (decrease) in the value of non-linked assets brought into account	13	94040	30750
Increase (decrease) in the value of linked assets	14		
Other income	15		
Total income	19	161984	110454

Expenditure

Claims incurred	21	108533	162479
Expenses payable	22	3634	5362
Interest payable before the deduction of tax	23	61	47
Taxation	24	1563	444
Other expenditure	25		
Transfer to (from) non technical account	26		
Total expenditure	29	113791	168331

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	48193	(57877)
Fund brought forward	49	1139397	1197274
Fund carried forward (39+49)	59	1187589	1139397

Long-term insurance business : Analysis of premiums

Name of insurer **ReAssure Ltd**
 Total business / subfund **Summary**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11	140595	247086		387681	534510
Single premiums	12	28	99665		99693	172406

Reinsurance - external

Regular premiums	13	10406	412		10818	10613
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15	4959	392936		397896	413730
Single premiums	16		8886		8886	12545

Net of reinsurance

Regular premiums	17	125230	(146262)		(21032)	110167
Single premiums	18	28	90779		90807	159861

Total

Gross	19	140623	346751		487374	706916
Reinsurance	20	15365	402234		417599	436889
Net	21	125258	(55483)		69775	270028

Long-term insurance business : Analysis of premiums

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11	139593	206463		346056	480575
Single premiums	12		99136		99136	170108

Reinsurance - external

Regular premiums	13	10341	26		10367	10502
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15	4959	394392		399351	408867
Single premiums	16					

Net of reinsurance

Regular premiums	17	124293	(187955)		(63662)	61206
Single premiums	18		99136		99136	170108

Total

Gross	19	139593	305599		445192	650682
Reinsurance	20	15301	394418		409718	419369
Net	21	124293	(88819)		35474	231314

Long-term insurance business : Analysis of premiums

Name of insurer **ReAssure Ltd**
 Total business / subfund **With Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11	836	39782		40618	45664
Single premiums	12	28	526		554	1464

Reinsurance - external

Regular premiums	13	62	386		448	112
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15		(1456)		(1456)	4863
Single premiums	16		8886		8886	12545

Net of reinsurance

Regular premiums	17	774	40852		41626	40690
Single premiums	18	28	(8360)		(8332)	(11082)

Total

Gross	19	864	40308		41172	47128
Reinsurance	20	62	7817		7878	17520
Net	21	802	32492		33294	29608

Long-term insurance business : Analysis of premiums

Name of insurer **ReAssure Ltd**
 Total business / subfund **National Mutual Fund**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11	166	841		1007	8271
Single premiums	12		3		3	835

Reinsurance - external

Regular premiums	13	3			3	
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	163	841		1004	8271
Single premiums	18		3		3	835

Total

Gross	19	166	844		1010	9106
Reinsurance	20	3			3	
Net	21	163	844		1007	9106

Long-term insurance business : Analysis of claims

Name of insurer **ReAssure Ltd**
Total business / subfund **Summary**
Financial year ended **31 December 2014**
Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11	74254	30342		104596	114079
Disability periodic payments	12	13555	63		13618	14163
Surrender or partial surrender	13	117845	552639		670484	784799
Annuity payments	14	27946	710552		738498	856631
Lump sums on maturity	15	125195	199713		324908	511631
Total	16	358795	1493309		1852103	2281303

Reinsurance - external

Death or disability lump sums	21	8555	42		8597	6725
Disability periodic payments	22	175			175	167
Surrender or partial surrender	23					
Annuity payments	24		15602		15602	24976
Lump sums on maturity	25					
Total	26	8730	15644		24375	31868

Reinsurance - intra-group

Death or disability lump sums	31	2852	1446		4298	4928
Disability periodic payments	32	728			728	714
Surrender or partial surrender	33		43918		43918	65991
Annuity payments	34		374731		374731	385104
Lump sums on maturity	35		10016		10016	18044
Total	36	3581	430112		433693	474781

Net of reinsurance

Death or disability lump sums	41	62847	28854		91701	102426
Disability periodic payments	42	12651	63		12714	13282
Surrender or partial surrender	43	117845	508721		626566	718808
Annuity payments	44	27946	320218		348164	446551
Lump sums on maturity	45	125195	189697		314891	493587
Total	46	346484	1047553		1394036	1774654

Long-term insurance business : Analysis of claims

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11	70492	12866		83358	92844
Disability periodic payments	12	13492	21		13512	14037
Surrender or partial surrender	13	115331	224713		340045	423035
Annuity payments	14	18860	668276		687135	808807
Lump sums on maturity	15	113683	79190		192873	280042
Total	16	331858	985066		1316923	1618765

Reinsurance - external

Death or disability lump sums	21	8533			8533	6683
Disability periodic payments	22	175			175	167
Surrender or partial surrender	23					
Annuity payments	24		15602		15602	24976
Lump sums on maturity	25					
Total	26	8708	15602		24310	31826

Reinsurance - intra-group

Death or disability lump sums	31	2852			2852	3926
Disability periodic payments	32	728			728	714
Surrender or partial surrender	33		8832		8832	12487
Annuity payments	34		374731		374731	385104
Lump sums on maturity	35					
Total	36	3581	383563		387144	402232

Net of reinsurance

Death or disability lump sums	41	59107	12866		71973	82234
Disability periodic payments	42	12588	21		12609	13156
Surrender or partial surrender	43	115331	215881		331213	410548
Annuity payments	44	18860	277942		296801	398727
Lump sums on maturity	45	113683	79190		192873	280042
Total	46	319569	585900		905468	1184707

Long-term insurance business : Analysis of claims

Name of insurer **ReAssure Ltd**
Total business / subfund **With Profit Fund**
Financial year ended **31 December 2014**
Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11	2334	14314		16648	16819
Disability periodic payments	12	63	43		105	126
Surrender or partial surrender	13	1566	270469		272035	282277
Annuity payments	14	9087	42276		51363	47824
Lump sums on maturity	15	8266	78230		86496	153014
Total	16	21316	405332		426647	500059

Reinsurance - external

Death or disability lump sums	21	22	42		64	42
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
Total	26	22	42		64	42

Reinsurance - intra-group

Death or disability lump sums	31		1446		1446	1002
Disability periodic payments	32					
Surrender or partial surrender	33		35086		35086	53504
Annuity payments	34					
Lump sums on maturity	35		10016		10016	18044
Total	36		46548		46548	72550

Net of reinsurance

Death or disability lump sums	41	2312	12826		15139	15775
Disability periodic payments	42	63	43		105	126
Surrender or partial surrender	43	1566	235383		236949	228774
Annuity payments	44	9087	42276		51363	47824
Lump sums on maturity	45	8266	68214		76480	134970
Total	46	21294	358742		380035	427468

Long-term insurance business : Analysis of claims

Name of insurer **ReAssure Ltd**
 Total business / subfund **National Mutual Fund**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11	1427	3162		4589	4417
Disability periodic payments	12		0		0	0
Surrender or partial surrender	13	948	57456		58404	79487
Annuity payments	14					
Lump sums on maturity	15	3246	42293		45539	78575
Total	16	5621	102911		108533	162479

Reinsurance - external

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
Total	26					

Reinsurance - intra-group

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
Total	36					

Net of reinsurance

Death or disability lump sums	41	1427	3162		4589	4417
Disability periodic payments	42		0		0	0
Surrender or partial surrender	43	948	57456		58404	79487
Annuity payments	44					
Lump sums on maturity	45	3246	42293		45539	78575
Total	46	5621	102911		108533	162479

Long-term insurance business : Analysis of expenses

Name of insurer **ReAssure Ltd**
Total business / subfund **Summary**
Financial year ended **31 December 2014**
Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11		100086		100086	45
Commission - other	12	2387	1877		4265	3511
Management - acquisition	13		5359		5359	
Management - maintenance	14	18736	49356		68092	69743
Management - other	15	2962	8776		11737	9358
Total	16	24085	165454		189539	82657

Reinsurance - external

Commission - acquisition	21					
Commission - other	22		399		399	397
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26		399		399	397

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41		100086		100086	45
Commission - other	42	2387	1478		3866	3114
Management - acquisition	43		5359		5359	
Management - maintenance	44	18736	49356		68092	69743
Management - other	45	2962	8776		11737	9358
Total	46	24085	165054		189139	82259

Long-term insurance business : Analysis of expenses

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11		100081		100081	25
Commission - other	12	2380	1140		3520	2680
Management - acquisition	13		5359		5359	
Management - maintenance	14	18098	24035		42134	43193
Management - other	15	2962	8776		11737	9358
Total	16	23440	139390		162830	55256

Reinsurance - external

Commission - acquisition	21					
Commission - other	22		399		399	397
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26		399		399	397

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41		100081		100081	25
Commission - other	42	2380	740		3120	2283
Management - acquisition	43		5359		5359	
Management - maintenance	44	18098	24035		42134	43193
Management - other	45	2962	8776		11737	9358
Total	46	23440	138991		162431	54859

Long-term insurance business : Analysis of expenses

Name of insurer **ReAssure Ltd**
 Total business / subfund **With Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11		5		5	22
Commission - other	12	5	716		720	797
Management - acquisition	13					
Management - maintenance	14	572	21777		22350	21220
Management - other	15					
Total	16	577	22498		23075	22039

Reinsurance - external

Commission - acquisition	21					
Commission - other	22					1
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					1

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41		5		5	22
Commission - other	42	5	716		720	796
Management - acquisition	43					
Management - maintenance	44	572	21777		22350	21220
Management - other	45					
Total	46	577	22498		23075	22038

Long-term insurance business : Analysis of expenses

Name of insurer **ReAssure Ltd**
 Total business / subfund **National Mutual Fund**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11					(2)
Commission - other	12	3	22		25	35
Management - acquisition	13					
Management - maintenance	14	65	3544		3609	5330
Management - other	15					
Total	16	68	3566		3634	5362

Reinsurance - external

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41					(2)
Commission - other	42	3	22		25	35
Management - acquisition	43					
Management - maintenance	44	65	3544		3609	5330
Management - other	45					
Total	46	68	3566		3634	5362

Long-term insurance business : Linked funds balance sheet

Name of insurer **ReAssure Ltd**
 Total business
 Financial year ended **31 December 2014**
 Units **£000**

Financial year	Previous year
1	2

Internal linked funds (excluding cross investment)

Directly held assets (excluding collective investment schemes)	11	11868399	12058103
Directly held assets in collective investment schemes of connected companies	12		
Directly held assets in other collective investment schemes	13	2341723	2377964
Total assets (excluding cross investment) (11+12+13)	14	14210122	14436067
Provision for tax on unrealised capital gains	15	32935	43388
Secured and unsecured loans	16		
Other liabilities	17	15665	4028
Total net assets (14-15-16-17)	18	14161522	14388651

Directly held linked assets

Value of directly held linked assets	21	39525	42125
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Total

Value of directly held linked assets and units held (18+21)	31	14201048	14430776
Surplus units	32	188596	179326
Deficit units	33	7128	6829
Net unit liability (31-32+33)	34	14019580	14258279

Long-term insurance business : Revenue account for internal linked funds

Name of insurer **ReAssure Ltd**
 Total business
 Financial year ended **31 December 2014**
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Income

Value of total creation of units	11	114854	142117
Investment income attributable to the funds before deduction of tax	12	458521	422873
Increase (decrease) in the value of investments in the financial year	13	56402	1431734
Other income	14	163040	69465
Total income	19	792818	2066189

Expenditure

Value of total cancellation of units	21	848503	1120733
Charges for management	22	150833	153797
Charges in respect of tax on investment income	23	8393	8732
Taxation on realised capital gains	24	9940	(1823)
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	2472	29568
Other expenditure	26	(193)	85
Total expenditure	29	1019947	1311092

Increase (decrease) in funds in financial year (19-29)	39	(227129)	755097
Internal linked fund brought forward	49	14388651	13633554
Internal linked funds carried forward (39+49)	59	14161522	14388651

Long-term insurance business : Summary of new business

Name of insurer **ReAssure Ltd**

Total business

Financial year ended **31 December 2014**

Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Number of new policyholders/
scheme members for direct
insurance business**

Regular premium business	11	58	46		104	105
Single premium business	12		3485		3485	9543
Total	13	58	3531		3589	9648

**Amount of new regular
premiums**

Direct insurance business	21	91	80		171	225
External reinsurance	22					
Intra-group reinsurance	23					
Total	24	91	80		171	225

**Amount of new single
premiums**

Direct insurance business	25		74859		74859	171616
External reinsurance	26		24283		24283	
Intra-group reinsurance	27					
Total	28		99142		99142	171616

Long-term insurance business : Analysis of new business

Name of insurer

ReAssure Ltd

Total business

Financial year ended

31 December 2014

Units

£000

UK Life / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
325	Level term assurance	3	2		
515	Life UWP endowment regular premium - target cash	1	2		
710	Life property linked whole life regular premium	48	17		
715	Life property linked endowment regular premium - savings		67		
720	Life property linked endowment regular premium - target cash	2	3		
795	Miscellaneous property linked	4	1		

Long-term insurance business : Analysis of new business

Name of insurer

ReAssure Ltd

Total business

Financial year ended

31 December 2014

Units

£000

UK Pension / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
160	Conventional pensions endowment with-profits - increments		1		(12)
200	Annuity with-profits (CPA)			10	22
400	Annuity non-profit (CPA)			3371	71261
540	Group money purchase pensions UWP - increments		2		
565	DWP National Insurance rebates UWP				30
725	Individual pensions property linked	42	56	60	1216
730	Individual pensions property linked - increments		0		1167
735	Group money purchase pensions property linked	4	5	35	366
740	Group money purchase pensions property linked - increments		17		(92)
745	DWP National Insurance rebates property linked				797
905	Index linked annuity(CPA)			9	104

UK Pension / Reinsurance accepted external

[illegible]

Long-term insurance business : Assets not held to match linked liabilities

Name of insurer **ReAssure Ltd**
Category of assets **10 Total long term insurance business assets**
Financial year ended **31 December 2014**
Units **£000**

Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
1	2	3	4	5

Assets backing non-profit liabilities and non-profit capital requirements

Land and buildings	11	171424	171424		5.00	
Approved fixed interest securities	12	1910934	1910934	69001	2.40	
Other fixed interest securities	13	5859040	5859040	262690	3.48	
Variable interest securities	14	92337	92337	1118		
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	344597	344597	5403	2.05	
Total	19	8378332	8378332	338212	3.11	

Assets backing with-profits liabilities and with-profits capital requirements

Land and buildings	21	289399	289399	10209	4.16	
Approved fixed interest securities	22	467481	467481	16377	2.45	
Other fixed interest securities	23	656451	656451	32167	3.67	
Variable interest securities	24	11602	11602	343	0.61	
UK listed equity shares	25	380621	396886	17423	4.49	
Non-UK listed equity shares	26	99094	234495	8058	3.52	
Unlisted equity shares	27	8154	8154			
Other assets	28	229846	78181	1568	2.73	
Total	29	2142648	2142648	86144	3.49	

Overall return on with-profits assets

Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

Long-term insurance business : Assets not held to match linked liabilities

Name of insurer **ReAssure Ltd**
Category of assets **21 With Profit Fund**
Financial year ended **31 December 2014**
Units **£000**

Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
1	2	3	4	5

Assets backing non-profit liabilities and non-profit capital requirements

Land and buildings	11					
Approved fixed interest securities	12	129971	129971	4784	2.65	
Other fixed interest securities	13	431931	431931	20250	3.64	
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
Total	19	561902	561902	25035	3.40	

Assets backing with-profits liabilities and with-profits capital requirements

Land and buildings	21	58136	58136	1845	4.07	14.52
Approved fixed interest securities	22	143665	143665	5186	2.52	22.78
Other fixed interest securities	23	214734	214734	10871	3.64	6.49
Variable interest securities	24					
UK listed equity shares	25	57059	62023	2770	5.17	(1.94)
Non-UK listed equity shares	26	817	44097	1594	4.06	7.93
Unlisted equity shares	27					
Other assets	28	74203	25959	473	2.04	
Total	29	548614	548614	22740	3.50	10.46

Overall return on with-profits assets

Post investment costs but pre-tax	31					10.34
Return allocated to non taxable 'asset shares'	32					13.25
Return allocated to taxable 'asset shares'	33					10.83

Long-term insurance business : Assets not held to match linked liabilities

Name of insurer **ReAssure Ltd**
 Category of assets **22 National Mutual Fund**
 Financial year ended **31 December 2014**
 Units **£000**

Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
1	2	3	4	5

Assets backing non-profit liabilities and non-profit capital requirements

Land and buildings	11					
Approved fixed interest securities	12	23072	23072	797	2.42	
Other fixed interest securities	13	31472	31472	1517	3.68	
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
Total	19	54544	54544	2315	3.08	

Assets backing with-profits liabilities and with-profits capital requirements

Land and buildings	21	231263	231263	8364	4.19	14.09
Approved fixed interest securities	22	323816	323816	11191	2.42	22.54
Other fixed interest securities	23	441718	441718	21295	3.68	7.35
Variable interest securities	24	11602	11602	343	0.61	
UK listed equity shares	25	323562	334863	14653	4.38	1.14
Non-UK listed equity shares	26	98277	190398	6464	3.40	9.03
Unlisted equity shares	27	8154	8154			
Other assets	28	155643	52221	1095	3.42	
Total	29	1594034	1594034	63405	3.48	9.98

Overall return on with-profits assets

Post investment costs but pre-tax	31					9.87
Return allocated to non taxable 'asset shares'	32					9.31
Return allocated to taxable 'asset shares'	33					7.74

Long-term insurance business : Assets not held to match linked liabilities

Name of insurer **ReAssure Ltd**
 Category of assets **31 Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
1	2	3	4	5

Assets backing non-profit liabilities and non-profit capital requirements

Land and buildings	11	171424	171424		5.00	
Approved fixed interest securities	12	1757892	1757892	63419	2.38	
Other fixed interest securities	13	5395637	5395637	240922	3.46	
Variable interest securities	14	92337	92337	1118		
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	344597	344597	5403	2.05	
Total	19	7761886	7761886	310863	3.09	

Assets backing with-profits liabilities and with-profits capital requirements

Land and buildings	21					
Approved fixed interest securities	22					
Other fixed interest securities	23					
Variable interest securities	24					
UK listed equity shares	25					
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28					
Total	29					

Overall return on with-profits assets

Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

Long-term insurance business : Fixed and variable interest assets

Name of insurer **ReAssure Ltd**
 Category of assets **10 Total long term insurance business assets**
 Financial year ended **31 December 2014**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	1592271	10.83	2.23	2.23

Other approved fixed interest securities	21	786144	11.09	2.75	2.43
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Other fixed interest securities

AAA/Aaa	31	350641	9.60	2.70	2.48
AA/Aa	32	784497	10.52	3.08	2.68
A/A	33	3296286	9.92	3.50	2.82
BBB/Baa	34	1805297	8.48	3.75	2.68
BB/Ba	35	13324	4.58	5.06	1.63
B/B	36	7801	4.61	6.79	1.30
CCC/Caa	37				
Other (including unrated)	38	257647	7.58	4.11	3.49
Total other fixed interest securities	39	6515491	9.44	3.49	2.77

Approved variable interest securities	41	92337	14.16		(0.03)
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Other variable interest securities	51	11602	8.29	0.61	(0.32)
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Total (11+21+39+41+51)	61	8997847	9.81	3.15	2.60
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Long-term insurance business : Fixed and variable interest assets

Name of insurer **ReAssure Ltd**
 Category of assets **21 With Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	154479	9.50	2.15	2.15

Other approved fixed interest securities	21	119157	10.86	3.04	2.67
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Other fixed interest securities

AAA/Aaa	31	31592	6.23	3.04	2.82
AA/Aa	32	120652	8.95	3.04	2.64
A/A	33	247225	10.34	3.65	2.97
BBB/Baa	34	103946	7.36	3.77	2.70
BB/Ba	35	5919	4.67	4.55	1.35
B/B	36	698	9.54	7.67	2.13
CCC/Caa	37				
Other (including unrated)	38	136633	7.25	4.19	3.55
Total other fixed interest securities	39	646665	8.70	3.64	2.96

Approved variable interest securities	41				
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Other variable interest securities	51				
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Total (11+21+39+41+51)	61	920301	9.06	3.31	2.78
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Long-term insurance business : Fixed and variable interest assets

Name of insurer **ReAssure Ltd**
 Category of assets **22 National Mutual Fund**
 Financial year ended **31 December 2014**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	236941	10.36	2.17	2.17

Other approved fixed interest securities	21	109947	13.23	2.82	2.48
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Other fixed interest securities

AAA/Aaa	31	19352	7.47	3.51	3.29
AA/Aa	32	61222	10.07	3.08	2.68
A/A	33	155193	9.49	3.61	2.93
BBB/Baa	34	146724	6.50	3.82	2.75
BB/Ba	35	7405	4.43	5.47	1.88
B/B	36	3210	3.88	7.47	1.03
CCC/Caa	37				
Other (including unrated)	38	80084	8.53	4.01	3.38
Total other fixed interest securities	39	473190	8.24	3.68	2.93

Approved variable interest securities	41				
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Other variable interest securities	51	11602	8.29	0.61	(0.32)
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Total (11+21+39+41+51)	61	831680	9.41	3.05	2.59
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Long-term insurance business : Fixed and variable interest assets

Name of insurer **ReAssure Ltd**
 Category of assets **31 Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	1200852	11.09	2.25	2.25

Other approved fixed interest securities	21	557040	10.69	2.66	2.36
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Other fixed interest securities

AAA/Aaa	31	299696	10.12	2.64	2.42
AA/Aa	32	602623	10.88	3.08	2.68
A/A	33	2893867	9.90	3.48	2.80
BBB/Baa	34	1554627	8.74	3.75	2.68
BB/Ba	35				
B/B	36	3893	4.19	5.87	1.14
CCC/Caa	37				
Other (including unrated)	38	40930	6.79	4.06	3.53
Total other fixed interest securities	39	5395637	9.64	3.46	2.74

Approved variable interest securities	41	92337	14.16		(0.03)
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Other variable interest securities	51				
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Total (11+21+39+41+51)	61	7245866	9.95	3.14	2.58
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Long-term insurance business : Summary of mathematical reserves

Name of insurer **ReAssure Ltd**
 Total business / subfund **Summary**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Form 51 - with-profits	11	111414	607037		718451	665069
Form 51 - non-profit	12	538444	7256261		7794705	7496090
Form 52	13	19496	342939		362435	386855
Form 53 - linked	14	1914012	12105563		14019575	14258280
Form 53 - non-linked	15	125800	106017		231817	190199
Form 54 - linked	16	358547	564572		923119	922561
Form 54 - non-linked	17	29733	758		30491	26858
Total	18	3097446	20983147		24080593	23945912

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22	15741	181600		197341	199746
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26	410	11892		12302	11728
Form 54 - non-linked	27					
Total	28	16151	193492		209643	211474

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32	3063	320625		323688	254107
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35	439			439	420
Form 54 - linked	36	3495	45757		49252	104711
Form 54 - non-linked	37	2			2	3
Total	38	6999	366382		373381	359241

Net of reinsurance

Form 51 - with-profits	41	111414	607037		718451	665069
Form 51 - non-profit	42	519640	6754036		7273676	7042237
Form 52	43	19496	342939		362435	386855
Form 53 - linked	44	1914012	12105563		14019575	14258280
Form 53 - non-linked	45	125361	106017		231378	189779
Form 54 - linked	46	354642	506923		861565	806122
Form 54 - non-linked	47	29731	758		30489	26855
Total	48	3074296	20423273		23497569	23375197

Long-term insurance business : Summary of mathematical reserves

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Form 51 - with-profits	11					
Form 51 - non-profit	12	515265	6720608		7235873	6945506
Form 52	13		202		202	180
Form 53 - linked	14	1904770	5923960		7828730	8053369
Form 53 - non-linked	15	125291	59815		185106	155190
Form 54 - linked	16	261232	511631		772863	782838
Form 54 - non-linked	17	29733	758		30491	26858
Total	18	2836291	13216974		16053265	15963941

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22	15656	181600		197256	199661
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26	410	11892		12302	11728
Form 54 - non-linked	27					
Total	28	16066	193492		209558	211389

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32	3063	320625		323688	254107
Form 52	33		189		189	162
Form 53 - linked	34					
Form 53 - non-linked	35	439			439	420
Form 54 - linked	36	3495	45757		49252	104711
Form 54 - non-linked	37	2			2	3
Total	38	6999	366571		373570	359403

Net of reinsurance

Form 51 - with-profits	41					
Form 51 - non-profit	42	496546	6218383		6714929	6491738
Form 52	43		13		13	18
Form 53 - linked	44	1904770	5923960		7828730	8053369
Form 53 - non-linked	45	124852	59815		184667	154770
Form 54 - linked	46	257327	453982		711309	666399
Form 54 - non-linked	47	29731	758		30489	26855
Total	48	2813226	12656911		15470137	15393149

Long-term insurance business : Summary of mathematical reserves

Name of insurer **ReAssure Ltd**
 Total business / subfund **With Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Form 51 - with-profits	11	104357	136470		240827	221999
Form 51 - non-profit	12	21533	491545		513078	512941
Form 52	13	19496	338695		358191	382659
Form 53 - linked	14	9242	6181603		6190845	6204911
Form 53 - non-linked	15	509	43242		43751	32698
Form 54 - linked	16	97315	52941		150256	139723
Form 54 - non-linked	17					
Total	18	252452	7244496		7496948	7494931

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22	85			85	85
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28	85			85	85

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32					
Form 52	33		294883		294883	308798
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
Total	38		294883		294883	308798

Net of reinsurance

Form 51 - with-profits	41	104357	136470		240827	221999
Form 51 - non-profit	42	21448	491545		512993	512856
Form 52	43	19496	43812		63308	73861
Form 53 - linked	44	9242	6181603		6190845	6204911
Form 53 - non-linked	45	509	43242		43751	32698
Form 54 - linked	46	97315	52941		150256	139723
Form 54 - non-linked	47					
Total	48	252367	6949613		7201980	7186048

Long-term insurance business : Summary of mathematical reserves

Name of insurer **ReAssure Ltd**
 Total business / subfund **National Mutual Fund**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Form 51 - with-profits	11	7057	470567		477624	443070
Form 51 - non-profit	12	1646	44108		45754	37643
Form 52	13		299114		299114	312976
Form 53 - linked	14					
Form 53 - non-linked	15		2960		2960	2311
Form 54 - linked	16					
Form 54 - non-linked	17					
Total	18	8703	816749		825452	796000

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28					

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32					
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
Total	38					

Net of reinsurance

Form 51 - with-profits	41	7057	470567		477624	443070
Form 51 - non-profit	42	1646	44108		45754	37643
Form 52	43		299114		299114	312976
Form 53 - linked	44					
Form 53 - non-linked	45		2960		2960	2311
Form 54 - linked	46					
Form 54 - non-linked	47					
Total	48	8703	816749		825452	796000

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

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
300	Regular premium non-profit WL/EA OB	1430	9634	101				7625
300	Regular premium non-profit WL/EA OB - Alico	15328	82148	2184				61793
300	Regular premium non-profit WL/EA OB - BLA	212	673	37				176
300	Regular premium non-profit WL/EA OB - Paid Up	3573	1505	2				2259
305	Single premium non-profit WL/EA OB - Alico	3	64					64
315	Individual deposit administration non-profit	209	3574					3574
315	Individual deposit administration non-profit - Alico	854	34417	212				5083
325	Level term assurance	25140	2220359	6510				8725
325	Level term assurance - Alico	21250	1200770	4657				33842
325	Level term assurance - BLA	9623	923228	2597				5285
335	Decreasing term assurance (rider benefits) - Alico		197	1				5
345	Accelerated critical illness (reviewable premiums)	3792	311578	1716				339
345	Accelerated critical illness (reviewable premiums) - Alico	5556	220757	2253				20668
345	Accelerated critical illness (reviewable premiums) (decreasing) - BLA	7753	299667	3090				2619
345	Accelerated critical illness (reviewable premiums) (level) - BLA	3744	253921	1558				5788

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

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
355	Stand-alone critical illness (reviewable premiums)	1112	96265	512				1582
355	Stand-alone critical illness (reviewable premiums) - Alico	124422	4303575	19318				187095
355	Stand-alone critical illness (reviewable premiums) - BLA	593	30310	170				229
365	Income protection non-profit (reviewable premiums)	714	8201	203				478
365	Income protection non-profit (reviewable premiums) - Alico	15476	104044	3567				29184
380	Miscellaneous protection rider		2373	42				293
385	Income protection claims in payment	137	2445	8				17212
385	Income protection claims in payment - Alico	224	1117					6791
385	Income protection claims in payment - BLA		438					355
395	Annuity non-profit (PLA)	143	1286	10				29047
395	Annuity non-profit (PLA) - Alico	13	765					13465
395	Annuity non-profit (PLA) - ERIP	442	2807					15983
395	Annuity non-profit (PLA) - ICFP	21	301					1067
395	Annuity non-profit (PLA) - NML	115	329					4797
395	Annuity non-profit (PLA) - Smoker	74	223					2478

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

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
395	Annuity non-profit (PLA) - Special Group 1	57	186					1834
395	Annuity non-profit (PLA) - Special Group 2	29	101					1003
395	Annuity non-profit (PLA) - Special Group 3	12	28					216
435	Miscellaneous non-profit	22528	964401	6832				8674
435	Miscellaneous non-profit PHI - Alico	10119	405458	1322				12391
440	Additional reserves non-profit OB							22073
440	Additional reserves non-profit OB - BLA							1173

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

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Life / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
300	Regular premium non-profit WL/EA OB		118	17				
325	Level term assurance		878979	1444				5207
325	Level term assurance - BLA		478798	1647				3601
330	Decreasing term assurance		55147	35				
345	Accelerated critical illness (reviewable premiums)		231234	665				1926
345	Accelerated critical illness (reviewable premiums) (Decreasing) - BLA		4786	15				
345	Accelerated critical illness (reviewable premiums) (Level) - BLA		115287	4				2707
355	Stand-alone critical illness (reviewable premiums)		6845	20				251
380	Miscellaneous protection rider		102					
385	Income protection claims in payment		60					731
395	Annuity non-profit (PLA) - ICFP		270					956
435	Miscellaneous non-profit		20536	104				277

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

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Life / Reinsurance ceded intra-group

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
300	Regular premium non-profit WL/EA OB - BLA		336					
325	Level term assurance - BLA		182632	582				272
345	Accelerated critical illness (reviewable premiums) (Decreasing) - BLA		179424	251				1912
345	Accelerated critical illness (reviewable premiums) (Level) - BLA		59673	327				
355	Stand-alone critical illness (reviewable premiums) - BLA		17559	72				
385	Income protection claims in payment - BLA		178					101
435	Miscellaneous non-profit		234270	2403				339
440	Additional reserves non-profit OB - BLA							439

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

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
300	Regular premium non-profit WL/EA OB - Alico	1452	15306	98				30364
305	Single premium non-profit WL/EA OB - Alico	2	24					1073
315	Individual deposit administration non-profit	55	610	2				610
325	Level term assurance	2844	279947	792				1638
325	Level term assurance - Alico	105	4306	12				123
325	Level term assurance - BLA	1898	82622	251				671
325	Level term assurance - NMP	1	90					(1)
380	Miscellaneous protection rider		20	1				1
380	Miscellaneous protection rider - NML		100					3
400	Annuity non-profit (CPA)	61745	51504					917654
400	Annuity non-profit (CPA) - Alico	2974	2883					61645
400	Annuity non-profit (CPA) - BLA	93085	59395					990797
400	Annuity non-profit (CPA) - NML	4164	10011					139645
400	Annuity non-profit (CPA) - NMP	818	1662					21012
400	Annuity non-profit (CPA) - Swap 2		4895	4047				27661

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

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
400	Annuity non-profit (CPA) - Swap 3		10407	10773				3552
400	Annuity non-profit (CPA) - Swap 4		3487	3696				283
400	Annuity non-profit (CPA) - ZAL	117916	236482					2935994
405	Annuity non-profit (CPA impaired life) - ILA Group 1	351	1446					20370
405	Annuity non-profit (CPA impaired life) - ILA Group 2	1374	4436					56194
405	Annuity non-profit (CPA impaired life) - ILA Group 3	1626	5958					87766
405	Annuity non-profit (CPA impaired life) - Smoker	15668	46163					653274
405	Annuity non-profit (CPA impaired life) - Special group 1	8370	26741					361656
405	Annuity non-profit (CPA impaired life) - Special group 2	6188	19890					256515
405	Annuity non-profit (CPA impaired life) - Special group 3	1776	5055					68644
435	Miscellaneous non-profit	309	5219	4				6067
440	Additional reserves non-profit OB							31621
440	Additional reserves non-profit OB - NML							45776

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

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Pension / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
325	Level term assurance		1620	15				
400	Annuity non-profit (CPA) - ZAL		3444					36944
405	Annuity non-profit (CPA impaired life) - ILA Group 1		1302					17955
405	Annuity non-profit (CPA impaired life) - ILA Group 2		3993					49468
405	Annuity non-profit (CPA impaired life) - ILA Group 3		5362					77233
435	Miscellaneous non-profit		224	1				

Name of insurer	ReAssure Ltd
Total business / subfund	Non Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Reinsurance ceded intra-group	

[illegible]

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

Name of insurer **ReAssure Ltd**
 Total business / subfund **With Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
195	Annuity with-profits (PLA)	132	4991					97130
205	Miscellaneous conventional with-profits	1082	8396	95				7227
300	Regular premium non-profit WL/EA OB	2395	7116	99				5641
300	Regular premium non-profit WL/EA OB - NMP	1713	2011	19				1980
300	Regular premium non-profit WL/EA OB - Paid Up	6731	4523					5906
325	Level term assurance	556	26195	75				514
325	Level term assurance - NMP	172	9382	28				21
385	Income protection claims in payment	6	60	6				690
390	Deferred annuity non-profit	6						3
390	Deferred annuity non-profit - NMP	4						43
395	Annuity non-profit (PLA)	108	88					1416
395	Annuity non-profit (PLA) - NMP	19	16					99
400	Annuity non-profit (CPA) - NMP	142	107					844
435	Miscellaneous non-profit	206	6051	123				76
440	Additional reserves non-profit OB							4300

Name of insurer	ReAssure Ltd
Total business / subfund	With Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Life / Reinsurance ceded external	

[illegible]

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

Name of insurer **ReAssure Ltd**
Total business / subfund **With Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
155	Conventional pensions endowment with-profits	122	8457	54				14185
155	Conventional pensions endowment with-profits - Paid Up	716	14934					25737
200	Annuity with-profits (CPA)	7510	4616					90992
205	Miscellaneous conventional with-profits	161	1070	1				5556
300	Regular premium non-profit WL/EA OB - Paid Up	57	908					908
305	Single premium non-profit WL/EA OB - NMP	428	9212					8130
315	Individual deposit administration non-profit	788	6196	14				8289
315	Individual deposit administration non-profit - Single Premium	21	1066					8021
325	Level term assurance	374	68481	363				306
325	Level term assurance - NMP	1629	73429	260				482
390	Deferred annuity non-profit - NMP	177	67	2				345
390	Deferred annuity non-profit - Paid Up	1089	635					16364
390	Deferred annuity non-profit - Single Premium	280	437					9895
400	Annuity non-profit (CPA)	4611	4309					49350
400	Annuity non-profit (CPA) - NMP	24288	27909					389443

ReAssure Ltd
With Profit Fund
31 December 2014
£000

[illegible]

Name of insurer	ReAssure Ltd
Total business / subfund	With Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Reinsurance ceded external	

[illegible]

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

Name of insurer **ReAssure Ltd**
Total business / subfund **National Mutual Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
205	Miscellaneous conventional with-profits	741	7995	138				7057
305	Single premium non-profit WL/EA OB	5	39					39
325	Level term assurance		24					
390	Deferred annuity non-profit	40	22					216
435	Miscellaneous non-profit		744	7				241
440	Additional reserves non-profit OB							1150

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

Name of insurer **ReAssure Ltd**
Total business / subfund **National Mutual Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
155	Conventional pensions endowment with-profits - EPP with annuity guarantee	175	2091					1876
155	Conventional pensions endowment with-profits - Executive Harvester with annuity guarantee	213	3778	12				3188
155	Conventional pensions endowment with-profits - Personal Harvester with annuity guarantee	3147	30807	230				35410
155	Conventional pensions endowment with-profits - Personal Pension Plan	6671	192092	1123				206317
155	Conventional pensions endowment with-profits - with GMP guarantee	284	11123					20145
155	Conventional pensions endowment with-profits - with no annuity guarantee	11669	188800	413				148884
185	Group conventional pensions endowment with-profits - EPP with annuity guarantee	197	3081	6				5551
185	Group conventional pensions endowment with-profits - Executive Harvester with annuity guarantee	206	6142	53				8661
185	Group conventional pensions endowment with-profits - Personal Harvester with annuity guarantee	71	614	23				467
185	Group conventional pensions endowment with-profits - with no annuity guarantee	812	14234	146				11302
205	Miscellaneous conventional with-profits	551	920	39				14166
210	Additional reserves with-profits OB							14600
305	Single premium non-profit WL/EA OB	721	17299					17694
325	Level term assurance	40	162					16
380	Miscellaneous protection rider		108	4				10

ReAssure Ltd
National Mutual Fund
31 December 2014
£000

[illegible]

Name of insurer	ReAssure Ltd
Total business / subfund	Non Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Gross	

[illegible]

Long-term insurance business : Valuation summary of accumulating with-profits contracts

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Pension / Reinsurance ceded intra-group

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
525	Individual pensions UWP - NMP		52		52	52		52
535	Group money purchase pensions UWP - NMP		128		128	128		128
575	Miscellaneous UWP		9		9	9		9

Name of insurer	ReAssure Ltd
Total business / subfund	With Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Life / Gross	

[illegible]

Long-term insurance business : Valuation summary of accumulating with-profits contracts

Name of insurer **ReAssure Ltd**
Total business / subfund **With Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
525	Individual pensions UWP - DWP	587	18097		10943	10402	196	10598
525	Individual pensions UWP - NMP	21665	260035	3431	259808	259026	3721	262747
525	Individual pensions UWP - Regular	779	30120	34	19024	19006	123	19129
525	Individual pensions UWP - Single	42	479		261	253	3	256
535	Group money purchase pensions UWP	11	513		327	327		327
535	Group money purchase pensions UWP - NMP	1558	30073	560	30037	29925	378	30303
575	Miscellaneous UWP	400	6571	112	10263	10258	4973	15231
605	Miscellaneous protection rider		1021	31			85	85
610	Additional reserves UWP - NMP		19		19	19		19

Name of insurer	ReAssure Ltd
Total business / subfund	With Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Reinsurance ceded intra-group	

[illegible]

Name of insurer	ReAssure Ltd
Total business / subfund	National Mutual Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Gross	

[illegible]

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
700	Life property linked single premium	9854	169408		167246	167246	809	168055
700	Life property linked single premium - Alico	5694	300520		293697	293696	9170	302866
700	Life property linked single premium - BLA	4728	98291		96624	96624	43	96667
700	Life property linked single premium - ERIP	1556	6951		34275	34274	7258	41532
710	Life property linked whole life regular premium	38919	1075166	10351	226360	224946	7244	232190
710	Life property linked whole life regular premium - Alico	1005	47046	438	5577	5577	8	5585
710	Life property linked whole life regular premium (CIC) - BLA	9327	656377	8619	33617	33617	291	33908
710	Life property linked whole life regular premium (No CIC) - BLA	30400	1246989	13325	255582	255407	1043	256450
715	Life property linked endowment regular premium - savings	14286	329679	4589	187332	187160	587	187747
715	Life property linked endowment regular premium - savings - Alico	400	8824	186	6504	6503		6503
715	Life property linked endowment regular premium - savings (No CIC) - BLA	4386	128690	2132	89131	89131	38	89169
720	Life property linked endowment regular premium - target cash	3588	127973	2416	81555	81505	551	82056
720	Life property linked endowment regular premium - target cash (CIC) - BLA	5993	192604	4661	102426	102426	61	102487
720	Life property linked endowment regular premium - target cash (No CIC) - BLA	16512	547495	10451	304334	304334	138	304472
790	Miscellaneous protection rider		565161	1075			401	401

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
795	Miscellaneous property linked	533	496511	2470	3192	3192	1288	4480
795	Miscellaneous property linked (Income Protection) - BLA	5670	77436	1772	8868	8868	131	8999
795	Miscellaneous property linked (SACIC) - BLA	4310	324235	2841	7592	7592	88	7680
795	Miscellaneous property linked (Unit Linked Term Assurances) - BLA	1596	46359	344	2672	2672	13	2685
800	Additional reserves property linked						73361	73361
800	Additional reserves property linked - BLA						1173	1173
800	Additional reserves property linked - NML						21595	21595

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Life / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
700	Life property linked single premium		850	40				
710	Life property linked whole life regular premium		198012	1046				
715	Life property linked endowment regular premium - savings		33186	146				
720	Life property linked endowment regular premium - target cash		12348	88				
790	Miscellaneous protection rider		148799	392				
795	Miscellaneous property linked		80162	351				

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Life / Reinsurance ceded intra-group

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
710	Life property linked whole life regular premium (CIC) - BLA		193101	804				
710	Life property linked whole life regular premium (No CIC) - BLA		285911	1337				
720	Life property linked endowment regular premium - target cash (CIC) - BLA		22140	151				
720	Life property linked endowment regular premium - target cash (No CIC) - BLA		81770	403				
795	Miscellaneous property linked (Income Protection) - BLA		38310	802				
795	Miscellaneous property linked (SACIC) - BLA		112448	526				
795	Miscellaneous property linked (Unit Linked Term Assurances) - BLA		23107	110				
800	Additional reserves property linked - BLA						439	439

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
725	Individual pensions property linked - Alico	18860	299264	183	311883	306933	(2568)	304365
725	Individual pensions property linked - DWP	40293	674168		673592	617563	1678	619241
725	Individual pensions property linked - NMP	4121	65219	245	65121	65117	718	65835
725	Individual pensions property linked - Regular	8809	86515	1197	80487	77745	477	78222
725	Individual pensions property linked - Single	14404	194143		193874	193427	835	194262
725	Individual pensions property linked (AVCs) - BLA	7718	98440	1268	98440	97388	5	97393
725	Individual pensions property linked (DWP rebates) - BLA	127284	2322593		2322593	2322593	2740	2325333
725	Individual pensions property linked (Executive personal pensions) - BLA	2961	64561	707	64561	63806	(100)	63706
725	Individual pensions property linked (Personal pensions) - BLA	149629	1986200	29277	1986200	1966661	1090	1967751
735	Group money purchase pensions property linked	269	6148		6142	6142	17	6159
735	Group money purchase pensions property linked - Alico	217	464		519	519	62	581
735	Group money purchase pensions property linked - NMP	964	11971	336	11932	11904	301	12205
750	Income drawdown property linked - Alico	1683	46546		46776	46740	519	47259
750	Income drawdown property linked - NMP	2213	121545		121434	121434	478	121912
755	Trustee investment plan - Alico	138	11179		11121	11113	165	11278

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
755	Trustee investment plan - NMP	533	12782	12	12766	12766	56	12822
760	Small self administered schemes - NMP	28	700	24	697	669	6	675
790	Miscellaneous protection rider		1					
795	Miscellaneous property linked	36	3890	87	1007	1007	348	1355
795	Miscellaneous property linked - HSBC life treaty							
800	Additional reserves property linked						52988	52988
800	Additional reserves property linked - NMP		208		433	433		433

Name of insurer	ReAssure Ltd
Total business / subfund	Non Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Reinsurance ceded external	

[illegible]

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **ReAssure Ltd**
 Total business / subfund **With Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
700	Life property linked single premium	8	236		236	236	1	237
700	Life property linked single premium - NMP	28	873		863	863		863
710	Life property linked whole life regular premium	414	22244	194	1365	1365	92	1457
710	Life property linked whole life regular premium - NMP	64	1837	27	941	941	39	980
715	Life property linked endowment regular premium - savings	97	891	23	216	216	1	217
715	Life property linked endowment regular premium - savings - NMP	447	6090	69	5223	5223	205	5428
720	Life property linked endowment regular premium - target cash	26	642	17	376	376		376
790	Miscellaneous protection rider		23347	126			54	54
795	Miscellaneous property linked	21	4299	6	22	22	2	24
800	Additional reserves property linked						115	115

Name of insurer	ReAssure Ltd
Total business / subfund	With Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Life / Reinsurance ceded external	

[illegible]

Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **ReAssure Ltd**
Total business / subfund **With Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
725	Individual pensions property linked - DWP	153032	2916993	2	2914015	2902688	7578	2910266
725	Individual pensions property linked - NMP	95192	1146250	8329	1144069	1140124	16819	1156943
725	Individual pensions property linked - Regular	129733	1680746	22987	1525145	1478676	9906	1488582
725	Individual pensions property linked - Single	22059	369691		369232	369080	6755	375835
735	Group money purchase pensions property linked - NMP	7990	165200	1880	164835	164117	1315	165432
750	Income drawdown property linked - NMP	3389	93673		93611	93611	556	94167
755	Trustee investment plan	7	1054		1054	1054		1054
755	Trustee investment plan - NMP	305	12366	66	12345	12336	32	12368
760	Small self administered schemes - NMP	344	18948	356	18903	18832	13	18845
790	Miscellaneous protection rider		3309	97			268	268
795	Miscellaneous property linked				140	140		140
800	Additional reserves property linked - NMP		946		946	945		945

Name of insurer	ReAssure Ltd
Total business / subfund	With Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Reinsurance ceded external	

[illegible]

Name of insurer	ReAssure Ltd
Total business / subfund	National Mutual Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Gross	

[illegible]

Long-term insurance business : Valuation summary of index linked contracts

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
901	Index linked income protection claims in payment	404	6526		44782	40585		40585
901	Index linked income protection claims in payment - BLA		1471		9784	9784	602	10386
905	Index linked annuity(CPA)	134	3466		123801	152931		152931
905	Index linked annuity(CPA) - Alico	23	1536		45651	56821		56821
905	Index linked annuity(CPA) - ICFP	6	115		405	458		458
905	Index linked annuity(CPA) - NML	2	4		42	49	1	50
905	Index linked annuity(CPA) - Smoker	1	9		237	270	1	271
910	Miscellaneous index linked	20649	909154	11738	32	334	29129	29463

Name of insurer	ReAssure Ltd
Total business / subfund	Non Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Life / Reinsurance ceded external	

[illegible]

Name of insurer	ReAssure Ltd
Total business / subfund	Non Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Life / Reinsurance ceded intra-group	

[illegible]

Long-term insurance business : Valuation summary of index linked contracts

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**
UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
905	Index linked annuity(CPA)	3102	2085		48645	56842		56842
905	Index linked annuity(CPA) - Alico	102	588		18423	22597		22597
905	Index linked annuity(CPA) - BLA	158	152		2239	2490		2490
905	Index linked annuity(CPA) - ILA Group 1	23	171		3365	3802	11	3813
905	Index linked annuity(CPA) - ILA Group 2	65	129		2104	2377	33	2410
905	Index linked annuity(CPA) - ILA Group 3	109	327		6410	7243	60	7303
905	Index linked annuity(CPA) - NML	108	176		4310	4976	71	5047
905	Index linked annuity(CPA) - NMP	50	694		10005	11182		11182
905	Index linked annuity(CPA) - Smoker	648	1345		25529	29010	370	29380
905	Index linked annuity(CPA) - Special group 1	386	930		16613	18750	214	18964
905	Index linked annuity(CPA) - Special group 2	248	528		9140	10270	136	10406
905	Index linked annuity(CPA) - Special group 3	72	211		3190	3569	37	3606
905	Index linked annuity(CPA) - Swap 2	1	44839	50080	(48031)	(50421)		(50421)
905	Index linked annuity(CPA) - Swap 3	1	64667	67253	32626	45886		45886
905	Index linked annuity(CPA) - Swap 4	1	29494	31243	(3954)	(1082)		(1082)

Name of insurer	ReAssure Ltd
Total business / subfund	Non Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Gross	

[illegible]

Long-term insurance business : Valuation summary of index linked contracts

Name of insurer **ReAssure Ltd**
 Total business / subfund **Non Profit Fund**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Pension / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
905	Index linked annuity(CPA) - ILA group 1		154		2980	3367		3367
905	Index linked annuity(CPA) - ILA group 2		116		1866	2109		2109
905	Index linked annuity(CPA) - ILA group 3		294		5678	6416		6416

Name of insurer	ReAssure Ltd
Total business / subfund	Non Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Reinsurance ceded intra-group	

[illegible]

Name of insurer	ReAssure Ltd
Total business / subfund	With Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Life / Gross	

[illegible]

Name of insurer	ReAssure Ltd
Total business / subfund	With Profit Fund
Financial year ended	31 December 2014
Units	£000
UK Pension / Gross	

[illegible]

Long-term insurance business : Unit prices for internal linked funds

Name of insurer **ReAssure Ltd**
Total business
Financial year ended **31 December 2014**
Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit management charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
Balanced Managed - Life	03 - life - defensive managed fund	7445	RUK Cautious Managed Life	0.50	1.7493	1.8334	4.81
Balanced Managed - Pension	13 - individual pension - defensive managed fund	221959	Windsor Balanced Pension	0.20	1.9315	2.0517	6.23
Deposit - Life	04 - life - other managed fund	34047	AL GQSB Cash fund GQSB	1.00	1.4703	1.4616	(0.59)
Deposit - Pension	14 - individual pension - other managed fund	139206	GE Deposit (B) Pension Sta	0.30	4.1280	4.1369	0.22
Fully Managed - Life	02 - life - balanced managed fund	507621	GLP Multi Select Life Accum	1.50	5.4866	5.6738	3.41
Fully Managed - Pension	12 - individual pension - balanced managed fund	5733246	GE Managed (B) Pension S	0.34	7.9054	8.2812	4.75
Fixed Interest - Life	04 - life - other managed fund	45848	Combined International Mar	1.00	6.5297	6.9642	6.65
Fixed Interest - Pension	14 - individual pension - other managed fund	343810	Combined International Mar	1.25	10.3582	11.0870	7.04
International - Life	06 - life - overseas equity	31283	Aetna Equity Pre 1982 Life	0.50	35.9745	35.8243	(0.42)
International - Pension	16 - individual pension - overseas equity	302156	GE U.K. Equity (B) Pension	0.33	9.8367	9.7537	(0.84)
Life Managed	02 - life - balanced managed fund	799907	Managed Fund	0.82	14.2455	14.8629	4.33
Pension Equity Fund	15 - individual pension - UK equity	1024401	BL Pension Equity Fund	0.92	12.9945	12.9352	(0.46)
Pension Managed	12 - individual pension - balanced managed fund	3069588	Managed Pension	0.91	26.4534	27.6229	4.42
Pension Combined Income	15 - individual pension - UK equity	108265	Unitised Pension 500	0.88	3.5922	3.5587	(0.93)

Long-term insurance business : Index linked business

Name of insurer **ReAssure Ltd**
 Total business
 Financial year ended **31 December 2014**
 Units **£000**

Value of assets	Mean Term
1	2

Analysis of assets

Approved variable interest securities	11	795703	16.50
Other variable interest securities	12	64545	12.28
Approved fixed interest securities	13	1317	8.09
Other fixed interest securities	14		
Cash and deposits	15		
Equity index derivatives	16		
Inflation swaps	17		
Other assets	18		
Variation margin	19		
Total (11 to 19)	20	861565	

Credit rating of other fixed interest and other variable interest securities

AAA/Aaa	31		
AA/Aa	32	4066	2.36
A/A	33	45983	12.17
BBB/Baa	34	14497	15.23
BB/Ba	35		
B/B	36		
CCC/Caa	37		
Other (including unrated)	38		
Total other fixed interest and other variable interest securities	39	64545	12.28

Long-term insurance business: Analysis of valuation interest rateName of insurer **ReAssure Ltd**Subfund **Non Profit Fund**Financial year ended **31 December 2014**Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK Form 51 Pension Annuities (NML and impaired life)	1499408	2.40	2.40	2.64
UK Form 51 Pension Annuities	917654	2.40	2.40	2.64
UK Form 51 Pension Annuities - ZAL	2577667	2.40	2.40	2.64
UK Form 51 Pension Annuities - BLA	990797	2.40	2.40	2.64
UK Form 51 Pension Annuities - Alico	61645	2.40	2.40	2.64
UK Form 51 Pension Annuities - NMPL	21012	2.40	2.40	2.64
Standalone critical illness (reviewable premiums) - Alico	187095	2.04	2.04	2.64
Miscellaneous	674823	n/a	n/a	n/a
Total	6930099			

Long-term insurance business: Analysis of valuation interest rateName of insurer **ReAssure Ltd**Subfund **With Profit Fund**Financial year ended **31 December 2014**Units **£000**

Product group	Net mathematical reserves	Net valuation interest rate	Gross valuation interest rate	Risk adjusted yield on matching assets
1	2	3	4	5
UK Form 51 L&GA WP annuities	97130	2.30	2.88	3.25
UK Form 51 L&GA NP assurances	14062	1.63	2.04	2.83
UK Form 51 Pension NP assurances	1696	2.04	2.04	2.83
UK Form 51 Pension WP (inc COB)	40180	2.88	2.88	3.25
UK Form 51 Pension WP annuities	90992	2.88	2.88	3.25
UK Form 51 Pension NP annuities	49350	2.56	2.56	2.83
UK Form 51 Pension NP annuities - NMP	389443	2.56	2.56	2.83
UK Form 52 L&GA	19496	2.30	2.88	3.25
UK Form 52 Pension (excluding NMP)	30311	2.88	2.88	3.25
UK Form 53 Pension property linked - other	43241	2.04	2.04	2.83
Miscellaneous	85553	n/a	n/a	n/a
Total	861453			

Long-term insurance business: Analysis of valuation interest rate

Name of insurer **ReAssure Ltd**

Subfund **National Mutual Fund**

Financial year ended **31 December 2014**

Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK Form 51 Pension NP deferred annuities	24638	2.56	2.56	2.87
UK Form 51 Pension WP policies (inc COB)	317668	2.56	2.56	2.87
UK Form 51 Pension WP policies (cost of GAR)	125153	2.34	2.34	2.35
UK Form 52 Pension unit liabilities	295071	0.36	0.36	4.00
Miscellaneous	63961	n/a	n/a	n/a
Total	826490			

Long-term insurance business : Distribution of surplus

Name of insurer **ReAssure Ltd**
 Total business / subfund **Summary**
 Financial year ended **31 December 2014**
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Valuation result

Fund carried forward	11	24382223	24177795
Bonus payments in anticipation of a surplus	12	66040	77576
Transfer to non-technical account	13	240000	407352
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	24688263	24662722
Mathematical reserves	21	23497570	23375196
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	1190694	1287526

Composition of surplus

Balance brought forward	31	800905	750189
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	389789	537337
Total	39	1190694	1287526

Distribution of surplus

Bonus paid in anticipation of a surplus	41	66040	77576
Cash bonuses	42		
Reversionary bonuses	43	1612	1693
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	67652	79269
Net transfer out of fund / part of fund	47	240000	407352
Total distributed surplus (46+47)	48	307652	486621
Surplus carried forward	49	883042	800906
Total (48+49)	59	1190694	1287526

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

Long-term insurance business : Distribution of surplus

Name of insurer **ReAssure Ltd**
Total business / subfund **Non Profit Fund**
Financial year ended **31 December 2014**
Units **£000**

Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	15802482	15666053
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13	240000	407352
Transfer to other funds / parts of funds	14	(48565)	(68596)
Subtotal (11 to 14)	15	15993917	16004808
Mathematical reserves	21	15470138	15393148
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	523779	611660

Composition of surplus

Balance brought forward	31	272907	244354
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	250872	367306
Total	39	523779	611660

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47	191435	338756
Total distributed surplus (46+47)	48	191435	338756
Surplus carried forward	49	332344	272905
Total (48+49)	59	523779	611660

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

Long-term insurance business : Distribution of surplus

Name of insurer **ReAssure Ltd**
Total business / subfund **With Profit Fund**
Financial year ended **31 December 2014**
Units **£000**

Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	7392152	7372345
Bonus payments in anticipation of a surplus	12	11306	15558
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14	48565	68596
Subtotal (11 to 14)	15	7452023	7456499
Mathematical reserves	21	7201980	7186048
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	250043	270451

Composition of surplus

Balance brought forward	31	185626	178705
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	64417	91746
Total	39	250043	270451

Distribution of surplus

Bonus paid in anticipation of a surplus	41	11306	15558
Cash bonuses	42		
Reversionary bonuses	43	574	670
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	11880	16228
Net transfer out of fund / part of fund	47	48565	68596
Total distributed surplus (46+47)	48	60445	84824
Surplus carried forward	49	189598	185627
Total (48+49)	59	250043	270451

Percentage of distributed surplus allocated to policyholders

Current year	61	19.65	19.13
Current year - 1	62	19.13	19.68
Current year - 2	63	19.68	20.58
Current year - 3	64	20.58	19.14

Long-term insurance business : Distribution of surplus

Name of insurer **ReAssure Ltd**
Total business / subfund **National Mutual Fund**
Financial year ended **31 December 2014**
Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

Valuation result

Fund carried forward	11	1187590	1139397
Bonus payments in anticipation of a surplus	12	54734	62018
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	1242324	1201415
Mathematical reserves	21	825452	796000
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	416872	405415

Composition of surplus

Balance brought forward	31	342372	327130
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	74500	78285
Total	39	416872	405415

Distribution of surplus

Bonus paid in anticipation of a surplus	41	54734	62018
Cash bonuses	42		
Reversionary bonuses	43	1038	1023
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	55772	63041
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	55772	63041
Surplus carried forward	49	361100	342374
Total (48+49)	59	416872	405415

Percentage of distributed surplus allocated to policyholders

Current year	61	100.00	100.00
Current year - 1	62	100.00	100.00
Current year - 2	63	100.00	100.00
Current year - 3	64	100.00	100.00

Long-term insurance business : With-profits payouts on maturity (normal retirement)

Name of insurer **ReAssure Ltd**
 Original insurer **Windsor Life Assurance**
 Date of maturity value / open market option **01 March 2015**

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	25	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	20	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	20	n/a	n/a	n/a	n/a	n/a	n/a

Long-term insurance business : With-profits payouts on surrender

Name of insurer **ReAssure Ltd**
Original insurer **Windsor Life Assurance**
Date of surrender value **01 March 2015**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	13154	2100	0	UWP	Y	13285
With-profits bond	5	15157	3222	0	UWP	Y	15309
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

Long-term insurance business : With-profits payouts on maturity (normal retirement)

Name of insurer **ReAssure Ltd**
Original insurer **National Mutual Life Assurance Society**
Date of maturity value / open market option **01 March 2015**

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	25	37714	19136	0	CWP	N	37714
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	67989	29939	0	UWP	N	67989
Regular premium pension	20	102710	51362	0	UWP	N	102710
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	25371	13625	0	UWP	N	25371
Single premium pension	20	43322	27739	0	UWP	N	43322

Long-term insurance business : With-profits payouts on surrender

Name of insurer **ReAssure Ltd**
Original insurer **National Mutual Life Assurance Society**
Date of surrender value **01 March 2015**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

Long-term insurance capital requirementName of insurer **ReAssure Ltd**

Global business

Financial year ended **31 December 2014**Units **£000**

LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
1	2	3	4	5	6

Insurance death risk capital component

Life protection reinsurance	11	0.0%					
Classes I (other), II and IX	12	0.1%	57544	57544	0.65	37	56
Classes I (other), II and IX	13	0.15%	72	41		0	
Classes I (other), II and IX	14	0.3%	7766021	5020891		15123	16745
Classes III, VII and VIII	15	0.3%	3427349	2309090	0.67	6927	7814
Total	16		11250986	7387566		22088	24615

Insurance health risk and life protection reinsurance capital component

Class IV supplementary classes 1 and 2 and life protection reinsurance	21					5264	5180
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Insurance expense risk capital component

Life protection and permanent health reinsurance	31	0%					
Classes I (other), II and IX	32	1%	8578856	8046797	0.94	80468	78053
Classes III, VII and VIII (investment risk)	33	1%	1235012	1189252	0.96	11893	11202
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	362358	362358	1.00	3624	3799
Classes III, VII and VIII (other)	35	25%				10316	10234
Class IV (other)	36	1%	367611	362407	0.99	3624	3283
Class V	37	1%					
Class VI	38	1%					
Total	39					109924	106570

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	8578856	8046797	0.94	241404	234158
Classes III, VII and VIII (investment risk)	43	3%	1235012	1189252	0.96	35678	33606
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	362358	362358			
Classes III, VII and VIII (other)	45	0%	13538369	13538369			
Class IV (other)	46	3%	367611	362407	0.99	10872	9848
Class V	47	0%					
Class VI	48	3%					
Total	49		24082206	23499182		287954	277612

Long term insurance capital requirement	51					425229	413977
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Notes to Accounts and Statements

0201 Waiver

The FSA, on the application of the firm, made a direction in December 2012 under section 148 of the Financial Services and Markets Act 2000. The effect of the direction is to enable the firm to take into account 'reversionary interests in land' through the firm's interest in ERIP Partnership Limited for the purposes of determining the yield and internal rate of return on assets in accordance with INSPRU 3.1.34R and 3.1.39R respectively.

The FSA, on the application of the firm, made a direction in December 2012 under section 148 of the Financial Services and Markets Act 2000. The effect of the direction is to modify GENPRU 2 Annex 7 (3), INSPRU 2.1.11 (1) and INSPRU 3.1.57 so that the firm's interest in ERIP Partnership Limited is represented in the returns by the underlying assets and liabilities of the partnership.

The PRA, on the application of the firm, made a direction in April 2013 under section 138 of the Financial Services and Markets Act 2000. The effect of the direction is to modify IPRU(INS) rule 9.40(3)(c), so that the firm does not need to provide a statement from an auditor in respect of the global Swiss Re Insurance Group capital adequacy return.

The PRA, on the application of the firm, made a direction in May 2013 under section 138 of the Financial Services and Markets Act 2000. The effect of the direction is to modify IPRU(INS)9.34R to allow additional disclosure in the Directors statement.

The PRA, on the application of the firm, made a direction under section 138A of the Financial Services and Markets Act 2000 in November 2013. The effect of the direction is to modify the provisions of INSPRU 3.1.35R and IPRU(INS) Appendix 9.3 so that a more appropriate rate of interest is used for assets taken in combination.

The PRA and the FCA, on the application of the firm, made a direction under section 138A of the Financial Services and Markets Act 2000 in December 2014. The effect of the direction is to modify COBS 21.3.1R to allow orders made by HM Treasury under section 59 of the Social Security Pensions Act 1975 for the purpose of up-rating public service pensions to be treated as a permitted link.

0212 Respectability Capital Policy

In 2009 the Company applied for, and was granted, a Voluntary Variation of Permission (VVOP), in accordance with the rules set out in SUP 6.3, to clearly define the Respectability Capital Policy (RCP) of the Company. The RCP requires the company to hold a minimum level of respectability capital over the Capital Resources Requirement shown in Form 2. The amount, which can be revised annually by the board of the Company is currently £165m. Since the granting of the VVOP on 13th November 2009 the company has held capital in excess of this amount at all times.

0213 With Profit Fund (WPF)

There is an identifiable account (the defined book) within the WPF, comprising most of the non-participating business in the WPF. The defined book was established under Part VII of the Financial Services and Markets Act on the transfer to the company of National Mutual. The surplus arising in this account is allocated 84.25% to Shareholders, with 15.75% remaining in the WPF. However with effect from 1 January 2012 the remaining surplus is reinsured to the NPF so no part of the surplus arising on the defined book is carried forward in the WPF.

0301 Capital Resources

	£'000
Form 13 Line 89 (Other than long term)	741,907
Form 13 Line 89 (Long term)	25,452,813
Form 14 Lines 11	(23,499,182)
Form 14 Lines 49	(622,818)
Form 15 Line 69	(1,403)
Total per Capital Resources Form 3	<u>2,070,317</u>

0310 Valuation differences

The valuation difference on Form 3 Line 14 of £880,303,000 arises as a result of the move to a regulatory valuation of liabilities from a realistic valuation adopted in the statutory accounts.

0313 Reconciliation of profit and loss account and other reserves

Item	£'000
Profit and loss account and other reserves (form 3 line 12) in 2013	878,103
Profit and loss account and other reserves (form 3 line 12) in 2014	880,296
Movement in year	(2,193)
Form 16 line 59	159,070
Decrease in surplus retained in NPF	(59,437)
Amortisation of PVIF	1,538
Impact of realistic valuations in statutory accounts	(27,043)
Deferred acquisition costs	(98,838)
Deferred tax	22,517
	(2,193)

1304 Amounts receivable and payable

1310 Amounts receivable and payable

Amounts due to and from any one person have been offset where appropriate in accordance with generally accepted accounting principles.

1305 Maximum permitted counterparty limits

1319 Maximum permitted counterparty limits

a) The investment guidelines operated by the Company limit exposure to any one approved counterparty to 5% of the aggregate investment in deposits, certificates of deposit, floating rate notes, commercial paper, other debt securities and foreign exchange transactions.

The investment guidelines limit exposure to any other single counterparty by reference to the credit rating of that counterparty. Investments rated less than BBB- or equivalent may not be purchased. Where investments are not rated by a recognised credit rating agency, the investment manager may determine an equivalent rating, subject to periodic review by the Investment Committee. These limits may not be exceeded except by agreement between the Investment Manager and the Investment Committee.

The limits that are applied to non approved counterparties at 31 December 2014 were:

% of total assets

	WL WP	NMF	NP	DB
AAA or equivalent	3.00%	3.00%	3.00%	3.00%
AA or equivalent	2.50%	2.00%	2.00%	2.00%
A or equivalent	2.00%	1.50%	1.50%	1.75%
BBB or equivalent	1.25%	1.00%	1.00%	1.50%
Less than BBB-	0.40%	0.40%	0.40%	0.50%
Monoline insurers - Individual	7.5%	7.5%	5.0%	7.5%
Monoline insurers - Aggregate	15.0%	15.0%	N/A	15.0%

b) The above limits also apply to all other counterparties as well as non approved counterparties.

c) There were no counterparty breaches in 2014

1306 Exposure to large counterparties

1312 Exposure to large counterparties

The company's exposure to any one individual counterparty did not exceed 5% of the long-term business amount at the end of the financial year.

1308 Value of Assets not readily realisable

The value of listed investments in line 41 that were not readily realisable was £43,698. This related to Rolls Royce Group 'C' Shares. These were redeemed by the issuer on 7 January 2015.

The value of unlisted investments included in line 41 is £4,630,496. The value of unlisted investments held in line 46 is £56,447,980.

***1318* Valuation Differences**

The other adjustments to assets in Form 13 Line 101 arise from the different treatment of some assets in the Company Act accounts compared to the FSA Returns and are:

Item	£'000
Asset/liability gross ups	(4,916)
ERIP partnership included on a regulatory basis	104,352
Total	<u>99,436</u>

***1401* Provision for reasonably foreseeable adverse variations**

The company has reviewed the requirements of INSPRU 3.2 17R to INSPRU 3.2.18R and IPRU (INS) (Appendix 9.1, 12) and has determined that no provision is required.

No provision for derivatives is considered necessary as all derivatives were strictly covered.

***1402* Liabilities**

a) There are no charges over assets

b) Provisions for potential liability to tax on unrealised capital gains have been allowed for within the mathematical reserves.

c) There are no material contingent liabilities that have not been included in Form 14 or Form 15.

d) There are no guarantees, indemnities or other contractual commitments other than those effected in the ordinary course of insurance business.

e) The company is not aware of any fundamental uncertainties affecting its business.

***1403* Provisions**

The £62,000 represents property rent outstanding at the end of the period for commercial leases held.

***1405* Other adjustments to liabilities**

The other adjustments to liabilities in Form 14 Line 74 arise from the different treatment of some liabilities in the Company Act accounts compared to the FSA Returns and are:

Item	£'000
Movement to realistic basis of liability valuation	881,480
ERIP partnership included on a regulatory basis	104,352
Asset/liability gross ups	(4,916)
Total	<u>980,916</u>

***1406* Increase/decrease in value of non-linked assets**

The value of non-linked assets within the WPF increased by £28,343,000 during the year. The value of non-linked assets within the NMF increased by £94,040,000 during the year.

***1502* Liabilities**

a) There are no charges over assets

b) N/A

c) N/A

d) There are no guarantees, indemnities or other contractual commitments other than those effected in the ordinary course of insurance business.

e) The company is not aware of any fundamental uncertainties affecting its business.

***1507* Other Adjustments**

The other adjustment of £1,401,000 reflects General Business amounts recorded in the technical account in the Statutory Accounts.

***1601* Basis of conversion of foreign currency**

Assets and liabilities have been translated at the rate of exchange ruling at 31 December 2014.

Income and expenditure in foreign currencies have been translated at the average year to date rate of exchange.

***1603* Other charges**

The £614,000 represents one off improvement costs spent during the year relating to the building owned by other than long term insurance fund.

***20A* General Insurance Business – Summary of Business Carried On**

***20Aa* Risk category allocation**

In accordance with rule 9.14B for all contracts of insurance, the company has allocated its business to the single risk category that describes the risk covered by the contract of insurance.

***20Ah* Business transfer in (2012)**

The General Insurance Business was acquired from American Life Insurance Company as part of the Part VII transfer under the Financial Services & Markets Act 2000 on 27 July 2012. The earliest date at which a transferred policy first inception was May 1979 and the latest was February 2005. All policies have expired prior to December 2014.

***20Aj* Cessation of business**

No "new contracts of insurance" of any classes of general insurance business were effected during the financial year. The last "new contract" was signed on 8 September 2009.

***2102* Unearned premiums**

The unearned premium reserve is calculated at inception on a 365 day basis.

***2202* Claims Management expenses**

No claims management expenses have been allocated to general business as it is a small closed block of business which was transferred from American Life Insurance Company under the Part VII transfer; any claims management expenses arising have been allocated to long term business. The general business is administered by Admin Re UK Services Limited (group service company) and the administration fees are payable to it under a Management Services Agreement which has been included in claims management costs. The amount recharged is set on a per policy basis on pre-determined tariffs.

***4006* Apportionment between Funds**

Investment Income and Appreciation of Assets

Each of the NPF, WPF, NMF, Shareholders' fund has separate assets and the investment income and gains are allocated as earned. The linked assets are partially owned by the NPF and partially owned by the WPF and the investment income and gains arising are apportioned on a mean fund basis.

Taxation

Tax is charged to the WPF and NMF as if they were separate companies, with the difference between this and the actual tax charge being borne by the NPF.

Expenses

Commission is charged to each fund as incurred as are investment-related expenses. Expenses were charged to the business in the WPF in line with the fixed expense agreement documented in the PPFM. The remaining expenses in 2014 were apportioned between the NPF and the business subject to the Management Services Agreement whereby Admin Re UK Limited (Parent company) manages the administrative function on behalf of the company and recharges for the services provided. The amount recharged is set on a per policy basis on pre-determined tariffs.

***4008* Provision of Management Services**

Aberdeen Asset Management, Aberdeen Property Investors, and Swiss Re Asset Management (Switzerland) AG (including Conning Asset Management Limited) provided investment management services to the company.

The company has also been provided with management services by Swiss Re Services Limited, and Admin Re UK Services Limited.

***4009* Material connected-party transactions**

There are 4 intra-group retrocession (IGR) arrangements in place between the company and Swiss Re. During the year premiums of £384m were paid under the arrangement and claims of £394m were made.

During 2014 Swiss Re provided investment management services to the company. The value of these transactions did not exceed 5% of liabilities arising from long-term insurance business (excluding property-linked liabilities and net of reinsurance ceded).

***4010* Investment Income relating to linked assets in respect of with-profit funds**

The Investment Income relating to linked assets in respect of with-profit funds included in Form 40 Line 12 is £203,143,000.

***4115* The negative premiums in the WPF in form 41 line 15 arise due to a reversal of prior year premiums previously over allocated to the WPF.**

***4401* Basis of valuation of assets**

a) Freehold and leasehold property have been valued at open market value, less a provision for the costs of realisation.

b) Government securities have been valued at mid price.

c) Debentures and listed equities have been valued at the bid price.

d) UK authorised unit trusts have been valued at bid price; holdings in open ended investment company funds (OEICs) have been valued at the single quoted price for such funds.

e) Interest bearing deposits and other assets have been stated at cost.

***4403* Variation margins**

No variation margins are payable on these contracts.

***4404* The total surplus units of £188,596,000 in Form 44 Line 32 comprise £171,424,000 ERIP properties in excess of the ERIP linked liabilities and £17,172,000 surplus units related to other linked funds.**

***4502* Other income and charges**

	£'000
Other income	163,040

Other income relates to realised gains.

***4801* With Profits Business – Asset Mix**

All With-Profits Business has a similar asset share philosophy regarding the investment mix of Property, Equities and Fixed Interest. The duration of fixed interest assets backing products is broadly dependent on the duration of the liabilities (for example short term endowments are backed by a higher proportion of short-duration fixed interest assets than longer term pension products).

***4803* Assumptions regarding securities**

Where securities were redeemable at the option of the guarantor or issuer then it was assumed that they will be redeemed on the earliest possible date. The company held £296m in such securities.

***4806* Assets to calculate Investment Returns**

WPF:

The assets used to calculate the investment returns in column 5 of lines 21 to 29 are the entire assets of the relevant category held by the non-Defined Book of the WPF. Lines 32 and 33 are the returns for the largest pensions and life asset share portfolio respectively.

NMF:

The assets used to calculate the investment returns in column 5 of lines 21 to 29 are the entire assets of the relevant category held by the NMF.

***4901* Rating Agency**

Credit ratings from Standard & Poor, Fitch and Moody's have been used to perform the split by credit rating. Where no external rating exists, an internal rating has been used.

***5201* Group scheme business with no member records**

Code 575 includes 4 Group Deposit Administration schemes with no member records

***5301* Group scheme business with no member records**

Code 795 includes 2 Group Managed Fund schemes with no member records

***5103* Miscellaneous Non Profit**

Product code 435 (Miscellaneous Non Profit) includes ex-Alico personal accident products.

***5305* HSBC Life treaty**

On 11 June 2014, ReAssure Limited entered into an arrangement with HSBC Life (UK) Limited ("HSBC"), to reassure a subset of HSBC policies to ReAssure, the effective commencement date of the reinsurance treaty being 1 January 2014. The vast majority of the business reassured is unit-linked individual and group pension business. The value of the unit-linked funds included in the agreement was £4.0bn at 31 December 2014.

It is intended that, subject to regulatory and Court approval, a Part VII Scheme will take place during 2015 to transfer the business to ReAssure, at which point the reinsurance treaty will terminate. The latest possible termination date for the treaty is 30 June 2016.

Under the reinsurance arrangement, 100% of the statutory surplus arising during the period is payable by HSBC to ReAssure.

The total reserve calculated at 31 December 2014 by ReAssure in respect of this reinsurance treaty is £Nil, since the value of the expected income from future management charges and other margins is greater than the value of expected expenses and claims in excess of unit values during the period of the reinsurance treaty.

This is shown under product code 795 and described as "Miscellaneous unit-linked – HSBC Life treaty" in Form 53.

***5403* Miscellaneous Index Linked**

Product code 910 (Miscellaneous Index Linked) consists of term assurance, income protection and critical illness contracts, where both the benefit and premium index are in line with the Retail Prices Index.

***5601* Rating Agency**

Credit ratings from Standard & Poor, Fitch and Moody's have been used to perform the split by credit rating. Where no external rating exists, an internal rating has been used.

5702 The yields to which a risk-adjustment was applied in accordance with INSPRU 3.1.35R as amended in order to arrive at the figure used in column 5 of Form 57, together in each case with the corresponding risk-adjusted yield, are as follows.

	Yield	RAY
WPF - non Defined Book	3.55%	3.25%
WPF - Defined Book	3.39%	2.83%
NMF	3.53%	2.87%
NPF	3.21%	2.64%

5801 The bonus payments made to policyholders in anticipation of a future surplus are as follows:

With Profit Fund line 41	Amount
	£'000
With Profit Annuities – bonus added to annuity	7,028
Unitised With Profits – regular bonus for 2014	2,220
Unitised With Profits – regular bonus correction for 2013	(1,203)
Unitised With Profits – regular bonus correction for 2012	(1,276)
With Profits Life – terminal bonus	3,364
With Profits Pensions – terminal bonus	1,173
Total	<u>11,306</u>

The UWP regular bonus corrections for 2012/3 were required as the cost of the guaranteed addition was included in the regular bonus in error.

National Mutual Fund line 41	Amount
	£'000
Unitised With Profits – regular bonus	5,982
With Profits Life – terminal bonus	3,389
With Profits Pensions – terminal bonus	45,363
Total	<u>54,734</u>

5802 The split of transfers between the With Profits Fund, the Non Profit Fund and the non technical account are as follows:

With Profit Fund line 14	Amount
	£'000
Transfers from With Profits Fund to Non Profit Fund	48,565
Total	<u>48,565</u>

Non Profit Fund line 13	Amount
	£'000
Transfer from non technical account to Non Profit Fund	(160,000)
Transfer from Non Profit Fund to non technical account	400,000
Total	<u>240,000</u>

Non Profit Fund line 14	Amount
	£'000
Transfers from With Profits Fund to Non Profit Fund	(48,565)
Total	<u>(48,565)</u>

5803 The percentage of distributed surplus allocated to With Profit Fund policyholders in 2014 is noted as 19.65%. This is derived as follows:

With Profit Fund	Amount
	£'000
Transfer out of the fund relating to 1/9 cost of bonus	1,320
Transfer out of the fund relating to the release amount percentage of surplus arising from the non-profit business in line with the shareholders share of 84.25%	47,245
Net transfer out of fund/part of fund (line 47)	<u>48,565</u>
Total distributed surplus (line 48)	60,445
Surplus remaining in the fund allocated to policyholders (line 46)	11,880
Proportion of surplus allocated to policyholders (line 46 / line 48)	19.65%

Returns under the Accounts and Statement Rules

Name of Insurer : ReAssure Limited

Global Business

Financial Year Ended : 31 December 2014

Statement required by Rule 9.25 of the Insurance Companies (Accounts and Statements) Rules

The Company had no major treaty reinsurers in the year

Statement required by Rule 9.26 of the Insurance Companies (Accounts and Statements) Rules

The Company had no major facultative reinsurers in the year

Statement required by Rule 9.27 of the Insurance Companies (Accounts and Statements) Rules

The Company had no major cedants in the year

Statement required by Rule 9.32 of the Insurance Companies (Accounts and Statements) Rules

There are no major reinsurers to be identified under this rule

Returns under the Accounts and Statement Rules

Name of Insurer: ReAssure Limited

Financial Year Ended: 31 December 2014

Statement of Additional Information on Derivative contracts required by Rule 9.29 of the Accounts and Statement Rules

The following information is included pursuant to rule 9.29 of the IPRU (INS).

- a) Derivative contracts are used for the purposes of efficient portfolio management and the reduction of investment risks. Limits are set, by the Board (with reference to the PPFM, if applicable) as to the type and extent of derivative usage. Reporting and monitoring procedures have been developed, covering market and counterparty exposure.
- b) The company's investment guidelines do not permit the use of contracts under which the company has a right or an obligation to acquire or dispose of assets which are not, at the time when the contract is entered into, reasonably likely to be exercised.
- c) The company was not party to any contracts of the kind described in paragraph (b) above.
- d) The company has not at any time during the financial year used any derivative contract which does not fall within rule 4.12(2), or (where appropriate) the definition of a permitted derivative contract.
- e) The company has not received any consideration during the year in return for granting rights under derivative contracts.

Returns under the Accounts and Statement Rules

Name of Insurer: ReAssure Limited

Financial Year Ended: 31 December 2014

Statement of Additional Information on Controllers required by Rule 9.30 of the Accounts and Statement Rules

The following information is included pursuant to rule 9.30 of the IPRU (INS).

a) Admin Re UK Limited owned the entire share capital of ReAssure Limited from the beginning of the year to 3rd July 2014. From 3rd July 2014 to the end of the year Admin Re UK Limited owned 91% of the share capital of ReAssure Limited. Admin Re UK Limited had the following shareholder controller throughout the financial year:
Swiss Re Life Capital Ltd

b) At the end of the financial year the following company was the owner of the indicated percentage of the share capital in Admin Re UK Limited. They are also entitled to vote at any general meeting of the company in proportion to their shareholding.
Swiss Re Life Capital Ltd - 100%

c) Swiss Re Life Capital Ltd is ultimately controlled by Swiss Re Limited, a public limited company domiciled in Switzerland.

ReAssure Limited
Returns under the Accounts and Statements Rules
IPRU (INS) Appendix 9.4

ABSTRACT OF THE VALUATION REPORT

Introduction

- 1 (1) The actuarial investigation relates to 31 December 2014.
- 1 (2) The most recent previous investigation related to 31 December 2013.
- 1 (3) There have been no interim valuations (for the purposes of IPRU (INS) 9.4) carried out since the most recent previous valuation date.

Product range

2. There have been no significant changes to the products offered by ReAssure during 2014, nor have there been any changes to the options or guarantees under existing products.

ReAssure Limited has two with-profits sub-funds. Both the With Profit Fund and the National Mutual Fund are closed to new business except by increment.

Discretionary charges and benefits

- 3 (1) No MVR applied to any product in 2014.
- 3 (2) The following non-linked contracts had reviewable terms with reviews due in 2014. However, no changes were made to the premium rates as a result of the review. Any reviewable terms switched to gender neutral at their review as a result of the Gender Directive December 2012.

Ex-RUK Products

Product	Policy Number	Benefit (£m)	Review Frequency
Term Assurance	3,866	374	At each policy anniversary if a significant and sustained change in experience.
Critical Illness (Lifestyle-Lifecare)	956	98	At each policy anniversary if a significant and sustained change in experience.
Critical Illness	243	32	At five-yearly intervals
Term Assurance (Cashback)	39	2	For inflation protected plans only. Premiums may be reviewed at any time and varied after the first 5 years..
Comprehensive Mortgage Insurance	247	27	Series 1 Critical Illness: at each policy anniversary if a significant and sustained change in experience. Series 1 version 2 Critical Illness: at five-yearly intervals.
Term Assurance (AIA)	85	9	For inflation protected plans only. At five-yearly intervals.

Product	Policy Number	Benefit (£m)	Review Frequency
Critical Illness Fixed Term	6	0	Premiums may be reviewed at any time after the first 5 years.
Term Assurance (Personal Pension)	794	95	At each policy anniversary if a significant and sustained change in experience.
Term Assurance (FSAVC)	63	11	At each policy anniversary if a significant and sustained change in experience.
Income Security Plan	7,141	34	At each policy anniversary (after five years) if a significant and sustained change in experience.
PHI Schemes	212	0	At each policy anniversary (after five years) if a significant and sustained change in experience.
British Medical Association Scheme	1,466	48 p.a.	At five-yearly intervals
Income Protection (PHI)	175	5 p.a.	At five-yearly intervals

Ex-VML Products

Product	Policy Number	Benefit (£m)	Review Frequency
Virgin Life Cover	1,312	121	At five-yearly intervals ⁽¹⁾
One Account Life Insurance	3,124	243	At five-yearly intervals ⁽¹⁾
Virgin Mortgage Protector	973	99	At five-yearly intervals ⁽¹⁾

⁽¹⁾ The numbers in the table above include all policies where a review can take place. In any particular year, only policies with the relevant policy anniversary will be subject to a review of premium rates.

The table above only includes those policies with Critical Illness Benefit. The reviewable premium is that part which relates to Critical Illness Benefit only.

Ex-BLA Products

Product	Policy Number	Benefit (£m)	Review Frequency
Business Protection Plan	399	24	At any time
Mortgageguard Plus	4,039	145	At five-yearly intervals ⁽¹⁾

⁽¹⁾ The numbers in the table above include all policies where a review can take place. In any particular year, only policies with the relevant policy anniversary will be subject to a review of premium rates.

Ex-ALICO Products

The majority of ex-ALICO products falling under categories 325, 345, 355 and 365 as well as some under category 435 have premiums which are reviewable and can be changed at any time subject to giving the policyholder 30 days written notice. This business accounts for around 177,000 policies with annual premium of £31,123,000 and mathematical reserves of £272,454,000. In 2014 no premium changes have been implemented for these policies.

- 3 (3) The rates for interest added during the year for non-profit deposit administration benefits were as follows:

Non Profit Fund

Z Investment Plan (Life) – The credited rates of interest vary monthly and are linked to Money Market Fund rates. The average rate during 2014 was 0.29% p.a.

Individual Deposit Pension Plans (ZIRA) – These are individual deposit administration pension contracts. The credited rate of interest during 2014 was 5.15% p.a. This credited rate is based on an amortised basis of a portfolio of matching gilts, with an appropriate reduction for expenses. Paid-up policies are switched into a fund with a credited rate 2% p.a. lower for three years.

Z Executive Pension Plan (Series 1) – The credited rate of interest during 2014 was 7.15% p.a. (before any reductions for expenses). This credited rate is based on an amortised basis of a portfolio of matching gilts. In the first two years of regular premiums, the credited rate is reduced by 2% p.a. In subsequent years the credited rate is reduced by 0.5% p.a. The reductions represent an appropriate allowance for expenses.

Z Executive Pension Plan (Series 2) – The average rate of interest during 2014 was 3.99% p.a. This credited rate is based on the average Building Society monthly mortgage lending rate.

100 Plan – For policies incepted prior to 31 December 1994 the average rate of interest during 2013 was 3.99% p.a. These credited rates are based on the average Building Society monthly mortgage lending rate. For policies incepted after 31 December 1994 the credited rates of interest vary monthly and are linked to Money Market Fund rates. The average rate during 2014 was 0.37% p.a.

Lifeline – The credited rate of interest during 2014 was 3.5% p.a.

Maximum Income Bond – The average rate of interest during 2014 was 0.12% p.a. This credited rate is based on the average in credit interest rate provided by the 5 leading Building Societies.

With Profit Fund

Directors Pension Plan I – The credited rate of interest during 2014 was 4.00% p.a. (the guaranteed minimum rate), reduced by 2.00% p.a. for paid-up policies. For policies that only pay return of premiums on death before retirement, an augmentation to the credited rate of interest can apply (between 0.25% p.a. and 0.75% p.a.).

Personal Pension Plan I – The credited rate of interest during 2014 was 4.00% p.a. (the guaranteed minimum rate), reduced by 2.00% p.a. for paid up policies. For policies that only pay return of premiums on death before retirement an augmentation to the credited rate of interest can apply (between 0.25% p.a. and 0.75% p.a.).

Crown Bond – The credited rate of interest for the Guaranteed Fund during 2014 was 5.00% p.a. The average rate on the High Security Fund during 2014 was 3.99% p.a.

- 3 (4) For all linked products except the ex-Aetna, ex-NMPL, ex-NMML, ex-BLA and ex-ALICO product ranges, the increase in policy administration charges in 2014 compared to 2013 was 3.75%.

A small number of ex-Aetna linked products have no provision for a review of policy administration charges. For the remaining ex-Aetna linked products, the increase in charges in 2014 compared to 2013 was 2.57%.

There have been no changes to the administration charges on ex-NMPL and ex-NMLL linked policies during the financial year.

For ex-BLA linked products the increase in policy administration charges in 2014 compared to 2013 was 1.21% for ex-Woolwich products and 0.67% for all other products.

For ex-ALICO products there was no increase in policy administration charges in 2014 compared to 2013 for Personal Pension Bond Drawdown. The increase in the policy administration charge for the Custodian Mortgage, Custodian Savings and Custodian Protection products in 2014 compared to 2013 was 1.26%. The Investment Mortgage Plan has no provision for a review of policy administration charges.

- 3 (5) There have been no changes to benefit charges (mortality and morbidity) on linked policies during 2014.
- 3 (6) There have been some reductions to unit management charges on linked policies during 2014. This applies to a number of ex-Alico linked policyholder funds where there has been a conversion to clean share classes. The value of funds affected by this change was £105m. There was no change to the notional charges on accumulating with-profit policies during 2014.
- 3 (7) Internal linked funds other than the ERIP Property Fund and non-Base Fund linked ex-ALICO funds.
- (a) The assets are held within a set of "Base Funds", each of which holds assets of a similar type. Policies invest in "Policyholder Funds". These are grouped into "Profile Funds", each of which invests in a particular combination of Base Funds.
- (i) The creation and cancellation of units is typically carried out twice-weekly using bare prices. The liability units of each Policyholder Fund series are calculated and then grouped into Profile Funds. Creations and cancellations within the individual Base Funds are then carried out to ensure close matching between the Profile Fund liability units and the Base Fund asset units.
- (ii) The value of the assets in the Base Funds is used to determine a bare price for each of the Base Fund unit series. The bare price takes account of tax on Base Fund life series. The bare prices for the Base Funds are used to determine the bare prices for the Policyholder Fund unit series, using the weighted average holdings in the relevant Base Funds. Annual management charges are then applied to the bare prices for the Policyholder Fund unit series.
- The published bid and offer prices of the Policyholder Fund unit series are then determined from these bare prices, according to the following rules.
- The bid price equals the bare price rounded to the relevant number of decimal places.
 - The offer price equals the bid price divided by the bid-offer spread, which is commonly 0.95. The exceptions to this are;
 - ex-Aegon policyholder unit series (which use 0.945)
 - some ex-Crown Group and some ex-Gresham policyholder unit series (which use 0.965)
 - an ex-RUK and two ex-New Zealand policyholder fund series (which use 0.97)
 - a variety of policyholder funds, including Windsor Series 5 policyholder fund series (which have no bid-offer spread)

- ex-BLA Life Series IV and V and Pension Series IV, V, VII and VIII policyholder fund series (which have no bid-offer spread).

- (iii) The assets held in the Base Funds are valued at the price at which they would be sold, allowing for any expenses of selling.
- (iv) Property is valued monthly by qualified surveyors. All other assets are valued daily. In normal circumstances all funds are valued and the price of units determined each working day, although policy conditions allow the Company to price less frequently. Asset valuations are taken at the market close of business one working day before the date the prices are to apply.

(b) See (a) regarding adjustment factors to specific Policyholder Fund unit series.

(c) See (a) (iv).

The ERIP Property Fund

- (a) Properties acquired through the ERIP product are held in the ERIP Property Fund. Units in the fund are created when properties enter the fund (through new business) and are cancelled when properties leave (through sales on death or surrender). In both cases, the change in the number of units is such as to leave the unit price of the fund unaltered.

The fund is valued and the unit price updated monthly. The properties are held in the fund at an estimate of full untenanted market value. Each property is valued by a surveyor immediately prior to being added to the fund and subsequently at two-yearly intervals. At quarter dates, the value is adjusted in line with the movement in a published regional house price index. For other months, the value is obtained by extrapolating the movement in the index over the immediately preceding quarter. The valuation basis does not alter according to whether the fund is expanding or contracting, as purchase and sale costs are met from outside the fund.

(b) Not applicable.

(c) Not applicable

Ex-ALICO internal linked funds

- (a) The assets are held within a set of "Underlying Funds", each of which holds assets of a similar type or a single external unit trust. Policies invest in "Policyholder Funds". These invest into a single Underlying Fund or particular combination of Underlying Funds.
 - (i) The creation and cancellation of units is carried out weekly using bare prices. The liability units of each Policyholder Fund series are calculated. Creations and cancellations within the individual Underlying Funds are then carried out to ensure close matching between the Policyholder Fund liability units and the Underlying Fund asset units.
 - (ii) The value of the assets in the Underlying Funds is used to determine a bare price for each of the Underlying Fund unit series. The bare price takes account of tax on Underlying Fund life series. The bare prices for the Underlying Funds are used to determine the bare prices for the Policyholder Fund unit series, using the weighted average holdings in the relevant Underlying Funds if applicable. Annual management charges are then applied to the bare prices for the Policyholder Fund unit series.

The published bid and offer prices of the Policyholder Fund unit series are then determined from these bare prices, according to the following rules.

- The bid price for any series and unit type within a fund is calculated as the bare price rounded as specified in the published unit-linked guide.
- The offer price equals the bid price divided by the bid-offer spread, which is commonly 0.95. The exceptions to this are some GWEB policyholder unit series and the HICA fund life policyholder series (which use 0.9525), and a small number of policyholder fund series, including some cash funds and initial unit series (which have no bid-offer spread).

(iii) The assets held in the Underlying Funds are valued at the price at which they would be sold, allowing for any expenses of selling.

(b) The pricing basis is determined at fund level and therefore the same pricing basis applies to all policies invested in that fund.

(c) See (a) (iv).

3 (8) Internal funds other than the ERIP Property Fund

(9)

Tax on capital gains was charged to the funds at the following rates during the year:

	Tax Rate	Timing
Realised gains and losses on equities, unit trusts and property	20.00%	See below
Realised and unrealised gains and losses on gilts and bonds	20.00%	As it occurs
Deemed disposal gains and losses on unit trusts	19.28%	Following year end

Any tax liability on realised gains is held as a provision on realisation. Realised gains and losses are offset against each other. If the net result is a realised loss, then it is offset against any provision for tax on unrealised gains. If all the unrealised gains are exhausted, then no further credit is given.

Credit for deemed disposal losses is given only to the extent to which it can be offset against deemed disposal gains. A provision for tax on unrealised gains on equities and property is held at 20%. No credit is given for unrealised losses, except for some ex-ALICO funds where credit is given for net aggregate unrealised and realised losses within the Underlying Funds to a value based on a prudent assessment of the likelihood that these will be offset against future gains.

The ERIP Property Fund

No deductions for tax are made from the ERIP Property Fund, as any liability to tax on the sale of a property is met by the insurer.

- 3 (10) Where the Company, in respect of purchases of collective investment schemes, receives a discount to the initial charge, policyholders invested in the Company's internal funds are given the full benefit of this discount.

The Company receives a management charge rebate on its holdings in certain collective investment schemes. With the exceptions listed below, these are either passed on in full to policyholders as a cash rebate or via an equivalent reduction in the Company's management charge. Where the Company's management charge is inclusive of the external collective investment scheme management charges, the entire management charge of the collective is rebated to policyholders.

The exceptions to the above are the following Active Access Underlying funds:

<u>Fund</u>	<u>Retained Rebate</u>
Aberdeen Asia Pacific	0.125%
Absolute Insight UK Equity Market Neutral	0.1%
Allianz PIMCO Gilt Yield	0.1%
Allianz RCM Japan	0.05%
Artemis High Income	0.125%
Artemis Strategic Bond	0.15%
Artemis UK Growth	0.25%
Artemis UK Smaller Companies	0.25%
Artemis UK Special Situations	0.25%
Baring Global Bond	0.25%
BlackRock Gold & General	0.375%
BlackRock UK Absolute Alpha	0.25%
BlackRock UK Dynamic	0.25%
BlackRock US Opportunities	0.25%
Cazenove UK Growth & Income	0.25%
Fidelity India Focus	0.25%
Fidelity Wealthbuilder	0.35%
Franklin UK Select Growth	0.25%
GLG Japan CoreAlpha	0.15%
Henderson China Opportunities	0.25%
Henderson European Growth	0.25%
Henderson Preference & Bond	0.375%
Invesco Perpetual Corporate Bond	0.05%
Invesco Perpetual Distribution	0.15%
Invesco Perpetual Income	0.25%
Invesco Perpetual Latin American	0.2%
JPM Cautious Total Return	0.315%
JPM Natural Resources	0.25%
Kames Strategic Bond	0.1%
M&G Global Basics	0.25%
M&G Global Growth	0.25%
M&G Property	0.1%
M&G Recovery	0.25%
Margetts Greystone Cautious Managed	0.1%
Martin Currie North American	0.15%
Neptune Income	0.1%
Neptune Russia and Greater Russia	0.175%
Newton Asian Income	0.25%

Newton Global Higher Income	0.25%
Old Mutual Corporate Bond	0.25%
Old Mutual UK Select Smaller Companies	0.125%
Rathbone Income	0.15%
Schroder European Alpha Plus	0.15%
Schroder Tokyo	0.15%
Schroder UK Alpha Plus	0.25%
Schroder UK Mid-250	0.15%
Schroder US Mid Cap	0.2%
SWIP Property	0.175%
SWIP Sterling Index-Linked Bond	0.3%
Templeton Global Total Return	0.15%
Threadneedle American Select Growth	0.25%
Threadneedle European Smaller Companies	0.15%
Threadneedle Global Equity	0.21%
Threadneedle Global Equity & Bond	0.16%
Threadneedle Strategic Bond	0.125%
Threadneedle UK Equity Income	0.25%

Valuation basis (other than for special reserves)

4 (1) Valuation methods

In all cases, the valuation methods ensure that no policy has a mathematical reserve lower than any guaranteed surrender value. Where there is no minimum surrender value, a negative reserve may be held.

Conventional with-profit contracts

The mathematical reserves were calculated using a gross premium valuation method. The valuation rate of interest was derived by calculating the internal rate of return of the risk-adjusted cashflows from the assets deemed to be backing the mathematical reserves. Given the pattern of future cashflows, there was no requirement for a reinvestment rate. No allowance was made for final bonuses. Similarly, other than as set out in paragraph 4(8), no allowance was made for future annual bonuses.

Adjustments to the method have been made for the following products.

(i) Pure Endowment (Self Employed) Pension contracts

The liability was calculated on the assumption that retirement takes place on the policyholder's 70th birthday unless the life was aged 70 or above at the valuation date, in which case the 75th birthday was used instead. An additional reserve was held to cover any increase in the liability arising from earlier retirement.

(ii) Variable Term With-Profit Endowment Assurances

The liability was calculated by valuing the policy as an endowment assurance maturing on the policy anniversary preceding age 65, together with an additional reserve sufficient to cover any increase in liability arising from earlier maturity.

Non-Linked Non-Profit business

The mathematical reserve was calculated using a gross premium valuation method. The reserve is the value of benefits plus the value of expenses less the value of future premiums. For life policies, the expenses are reduced by 20% to allow for tax relief. The reserves are calculated on a per policy basis, subject to a minimum of the current surrender value (where there is no surrender value a negative reserve may be held).

For ex-RUK and ex-VML business, the valuation basis allows for prudent lapse rates, set at a product level. These are adjusted at a policy level using a margin, which either increases or decreases the lapse rate at a given duration according to which option produces the higher reserve. For ex-VML business, valuation interest rates appropriate for positive reserves are set at a product level, and adjusted for those policies which have a negative reserve at the valuation date.

For Deposit Administration and Guaranteed Funds, allowance is made for future added interest assuming that the current rates reduce uniformly over the next three years to the guaranteed rates.

Where an ex-NMPL corporate pension policy, originally invested on a conventional with-profit basis, is beyond its maturity date, the investment becomes non-profit and the amount payable at maturity is accumulated with interest to the valuation date.

Adjustments to the basic method have been made as follows.

- (i) Extra premiums – The valuation liability has been taken as one times the annualised extra premium. For ex-RUK products, the additional liability was generally allowed for by an addition to age or by a percentage addition to the mortality or morbidity rate, as appropriate.
- (ii) Policies with Return of Premium benefit (ex-ALICO) – Certain ex-ALICO protection products contain a benefit which pays the accumulated premiums to the policyholder on survival to a specified date (typically, the 15th or 20th anniversary, or the expiry date of the policy). In the case of income protection policies, this benefit may be reduced by the amount of claims already paid. The mathematical reserve for policies with the Return of Premium benefit is calculated assuming that all such policies lapse at the specified date - this is a prudent assumption in that the cost of protection over the then remaining term is expected to be less than the premiums paid. In addition, policies are assumed not to lapse after the sixth policy year, reflecting the value of the Return of Premium benefit to the policyholder.

Non-profit and index-linked annuities in payment (other than ex-NMLL)

The mathematical reserves for annuities in payment are derived by projecting the policy benefits using an appropriate mortality assumption. The result is discounted back to the valuation date using an interest rate based on the risk-adjusted yield on the assets backing the reserves. An allowance is made for future maintenance costs.

Ex-NMLL Annuities in Payment

The majority of the annuities in payment are on enhanced terms to reflect the lifestyle or medical condition of the annuitant. The medically-rated annuities are divided into a number of groups based on the medical condition. Each group is valued using a differently-shaped mortality curve, fitted to the past mortality experience of policies in that group. For all types of annuity, a margin of 10% is included in the base mortality assumption.

The benefits payable for each annuity are projected using the appropriate mortality assumption. This depends on the type of annuity and, for the medically-rated annuities, on the group to which it belongs. The result is discounted back to the valuation date using an interest rate based on the risk-adjusted yield on the assets backing the reserves. An allowance is made for future maintenance costs.

Structured settlements

Structured settlements were valued assuming normal mortality, increased for each policy by a fixed amount based initially on the original underwriting assessment. The mortality additions were then calibrated to the cumulative past mortality experience of the business through a global percentage adjustment. A margin of 10% was included in the base mortality assumption. The resulting cashflows were then discounted back to the valuation date using an interest rate based on the risk-adjusted yield on the assets backing the reserves. An allowance was made for future maintenance costs

Equity Release Income Plan

Under ERIP, the policyholder hands over legal title to his or her property in return for receiving a lifetime lease on the property along with an income payable for life. The income is either a fixed annuity or one that varies each year based on movements in the unit price of the ERIP Property Fund. It can be on a single or joint life basis. If the policyholder vacates the property prematurely in order to move into long term care, then the property is sold and the income payable to the policyholder is increased.

The benefits payable to the policyholder are projected using appropriate mortality and morbidity assumptions and discounted back to the valuation date using an interest rate based on the risk-adjusted yield on the assets backing the reserves. An allowance is made for future maintenance costs, for the CGT arising on the projected disposal of the ERIP properties and for the share of future cashflows due to the reinsurer.

Non-Linked Accumulating With-Profit business

Other than ex-NMPL business

The reserve for each policy is calculated by discounting future cash flows at the valuation interest rate shown in section 4(2). Future bonuses are allowed for at the rates shown in 4(8). Allowance is made within the cashflows for the shareholders' share of surplus. Where regular withdrawals are being taken, these are assumed to continue at the same level in the future up to age 75.

Unit values and asset shares are projected forward on the valuation assumptions and a projected surrender value (excluding any final bonus) is calculated at each duration, equal to the lower of the unit value and the asset share. No allowance is made for a Market Value Reduction Factor at any time where there is a guarantee not to apply one. At the valuation date (and at all future durations) the reserve is subject to a minimum of the projected surrender value, excluding any final bonus.

Where the policy is a unit-linked product with a with-profit option, funding factors are allowed for at the same rates as are used for property-linked benefits.

Ex-NMPL business

The mathematical reserves are calculated as the bid value of the units allocated to policies as at the valuation date, with initial units being discounted at the rate of the capital levy from the date of conversion to standard units plus a sterling reserve. Except for the purposes of INSPRU 1.2.71 R (1), no allowance was made for final bonuses.

Sterling reserves are held to meet future mortality costs and expenses obtained by discounting projected cashflows.

Unit-Linked business

The amount of the mathematical reserve is the sum of the unit liability, the mortality and expense reserve and a reserve for options and guarantees. These are calculated as follows (references to Initial Units are to units allocated in the first years of some regular premium contracts where a higher management charge is deducted).

(a) *Unit Liability*

The reserve is calculated as the sum of the value of the Initial Units allocated to policies (discounted at the rate of the capital levy for ex-NMPL products or reduced by an assurance factor for other products) and the value of the Accumulator Units allocated to policies (in some cases also reduced by an assurance factor).

(b) *Mortality and Expense Reserve*

The reserve is equal to the excess of the present value of future non-unit outgo over the present value of future non-unit income, avoiding future valuation strain by working backwards from maturity and eliminating negative reserves.

Non-unit outgo comprises:

- (i) The cost of allocation to units, less the initial management charge, including allocations resulting from increases in the discount factors applied to Initial Units and (where appropriate) Accumulator Units.
- (ii) Mortality cost, calculated as the appropriate mortality rate multiplied by the sum at risk.
- (iii) Maintenance expenses and renewal or outstanding initial commission (net of tax relief on life assurance contracts).
- (iv) Waiver of premium, disability and critical illness costs (if any) calculated as the appropriate morbidity rate multiplied by the sum at risk.
- (v) The cost of any loyalty bonus, maturity bonus or enhancement to the maturity value.

Non-unit income comprises:

- (i) Premiums.
- (ii) Management charges on the internal linked funds.
- (iii) Where appropriate, a mortality, morbidity or expense charge deducted from the unit value at the frequency and of the amount according to the policy conditions.
- (iv) Policy fees deducted by the monthly cancellation of units (if any).

Where a policyholder is taking regular withdrawals from a policy it is assumed that these continue to age 75.

Adjustments to the basic method have been made as follows:

- (i) The mortality and expense reserves for pension business with regular contributions are the higher of the reserve calculated as above and the reserve calculated assuming policies are made paid-up at the valuation date.
- (ii) For policies subject to extra premiums, an additional liability was added to the morbidity and expenses reserve equal to one year's extra premium.

Equity Release Income Plan

See description of this product in Non-Linked Non-Profit business section above.

4 (2) Valuation Interest Rates

Other than ex-ALICO business

Code	Product Description	Additional Description	Valuation Interest Rate		L/ P/ H	Fund
			Current Valuation	Previous valuation		
120	Conventional endowment with-profits OB savings		2.30% 2.05%	2.80% 2.55%	L L	WP NM
125	Conventional endowment with-profits OB target cash		2.05%	2.55%	L	NM
155	Conventional pensions endowment with-profits		2.88% 2.56%	3.50% 3.19%	P P	WP NM
165	Conventional deferred annuity with-profits	In Deferment In Possession	2.88% 2.04% 2.56%	3.50% 3.12% 3.19%	P P P	WP WP NM
175	Group conventional deferred annuity with-profits		2.56%	3.19%	P	NM
185	Group conventional pensions endowment with-profits		2.56%	3.19%	P	NM
195	Annuity with-profits (PLA)		2.30%	2.80%	L	WP
200	Annuity with-profits (CPA)		2.88%	3.50%	P	WP
300	Regular premium non-profit WL/EA OB		1.63% 1.63%	2.49% 2.49%	L L	NP WP
305	Single premium non-profit WL/EA OB		2.04% 2.04%	3.12% 3.12%	P P	WP NM
315	Individual deposit administration NP		0.00% 0.00% 2.04%	0.00% 0.00% 3.12%	L P P	NP NP WP
325	Level term assurance		1.63% 1.63% 1.63% 2.04% 2.04% 2.04%	2.49% 2.49% 2.49% 3.12% 3.12% 3.12%	L L L P P P	NP WP NM NP WP NM
330	Decreasing term assurance		1.63% 1.63% 2.04% 2.04%	2.49% 2.49% 3.12% 3.12%	L L P P	NP WP NP WP
345	Accelerated Critical Illness; reviewable		1.63%	2.49%	L	NP
355	Stand-alone critical illness; reviewable		2.04%	3.12%	H	NP
385	Income protection claims in payment		2.40% 2.56%	3.23% 3.31%	H H	NP WP
390	Deferred annuity non-profit		2.04% 2.04% 2.04%	3.12% 3.12% 3.12%	L P P	WP WP NM
395	Annuity non-profit (PLA)	Gross Net Gross	2.40% 1.92% 2.56%	3.23% 2.58% 3.31%	L L L	NP NP WP
400	Annuity non-profit (CPA)	Ann. In payment-Swap 2 Ann. In payment-Swap 3 Ann. In payment-Swap 4	2.21% 2.61% 2.56%	3.58% 3.40% 3.39%	P P P	NP NP NP

Code	Product Description	Additional Description	Valuation Interest Rate		L/ P/ H	Fund
			Current Valuation	Previous valuation		
		Ann. In payment-Other Ann. In payment Ann. In payment	2.40% 2.56% 2.56%	3.23% 3.31% 3.31%	P L P	NP WP WP
405	Annuity non-profit (CPA impaired life)		2.40%	3.23%	P	NP
500	Life UWP single premium		2.30%	2.80%	L	WP
515	Life UWP endowment regular premium – target cash		2.30%	2.80%	L	WP
525	Individual pensions UWP	Non-NMPL business only	2.88%	3.50%	P	WP
535	Group money purchase pensions UWP	Non-NMPL business only	2.88%	3.50%	P	WP
545	Individual deposit administration with-profits		2.88%	3.50%	P	WP
700	Life property linked single premium	ERIP	4.88%	4.88%	L	NP
901	Index linked income protection claims in payment		-0.99%	-0.24%	H	NP
905	Index linked annuity	Annuities in payment Annuities in payment Ann. In payment-Swap 2 Ann. In payment-Swap 3 Ann. In payment-Swap 4 Ann. In payment-Other Annuities in payment	-0.99% -0.68% -0.99% -0.94% -0.40% -0.99% -0.68%	-0.24% 0.00% -0.38% -0.33% -0.34% -0.24% 0.00%	L L P P P P P	NP WP NP NP NP NP WP

For ex-RUK and ex-VML protection products with a negative aggregate reserve, the valuation interest rate is the risk free rate adjusted by a factor 1/0.975 (2.14%).

The following interest rates were used for calculating non-unit reserves on unit-linked business and ex-NMPL UWP business.

	Assumption	
	Current Valuation	Previous Valuation
Non-unit interest	2.04%	3.12%

Ex-ALICO business

The following interest rates were used in the valuation.

Product Group	Valuation Interest Rate	
	Current Valuation	Previous Valuation
Life Assurances	1.63%	2.49%
A&H Assurances	1.63%	2.49%
A&H PHI	2.04%	3.12%
Pensions	2.04%	3.12%
Annuity non profit (PLA)	2.40%	3.23%
Index-linked annuity (PLA)	-0.99%	-0.24%
Annuity non profit (CPA)	2.40%	3.23%
Index-linked annuity (CPA)	-0.99%	-0.24%

4 (3) Risk Adjusted Yields

Fixed Interest Securities

The yield on fixed-interest securities was reduced to allow for future defaults, using deductions according to the credit rating of each bond as set out in the table below.

Credit Rating	Deduction
UK Government	0.00%
AAA	0.22%
AA	0.40%
A	0.68%
BBB	1.07%

Equities and Property

The running yield for equity shares was set equal to the actual yield for 2014 and then it was subject to a cap of 15% and the result reduced by 15% to allow for risk. For properties, the rental income was limited to a maximum of the estimated rack rent. The yield was then reduced by 15% to allow for risk.

Ex-NMLL ERIP properties

The yield on property is the rate used to discount the projected sale proceeds from properties vacated by the tenant either on death or on moving into long term care. No adjustment for default risk was therefore made to it (beyond the 2.5% reduction required by INSPRU 3.1.28).

4 (4) Valuation Mortality Bases

The following codes are used in the tables to define the mortality basis.

A1

Males

66% AM92 Ultimate

Females

77% AF92 Ultimate

A2

Males

71% A1967-70 (2) Ultimate

Females

71% A1967-70 (2) Ultimate rated down 4 years

A3

Males

52% AM92 + (85% adjustment for non-smokers and 135% adjustment for smokers)

Females

86% AF92 + (85% adjustment for non-smokers and 135% adjustment for smokers)

A4Males

42% AM92 + (85% adjustment for non-smokers and 135% adjustment for smokers)

Females

70% AF92 + (85% adjustment for non-smokers and 135% adjustment for smokers)

A5Males

Non Smoker: 48% TM80(5)

Smoker: 96% TM80(5)

Females

Non Smoker: 64% TF80(5)

Smoker: 102% TF80(5)

A6Males

Non Smoker: 47% AM80(2)

Smoker: 113% AM80(2)

Females

Non Smoker: 57% AF80(2)

Smoker: 130% AF80(2)

A7Males

Non Smoker: 47% AM80(2)

Smoker: 75% AM80(2)

Females

Non Smoker: 62% AF80(2)

Smoker: 109% AF80(2)

A8Males

61% AM80(2)

Females

75% AF80(2)

A9Males

Non Smoker: 57.6% AM80(2)

Smoker: 120.6% AM80(2)

Females

Non Smoker: 78.3% AF80(2)

Smoker: 124.2% AF80(2)

A10

Males

Non Smoker: 66% A1967-70 (2) Ultimate
Smoker: 112% A1967-70 (2) Ultimate

Females

Non Smoker: 75% FA75/78 Ultimate
Smoker: 126% FA75/78 Ultimate

A11

Males

Non Smoker: 81% A1967-70 (2) Ultimate plus 100% AIDS Basis 'V' (1994)
Smoker: 126% A1967-70 (2) Ultimate plus 100% AIDS Basis 'V' (1994)

Females

Non Smoker: 92% FA75/78 Ultimate plus 25% AIDS Basis 'V' (1994)
Smoker: 142% FA75/78 Ultimate plus 25% AIDS Basis 'V' (1994)

A12

Males

Non Smoker: 68.85% A1967-70 (2) Ultimate plus 70% AIDS Basis 'R6A' (1999)
Smoker: 119.7% A1967-70 (2) Ultimate plus 78.5% AIDS Basis 'R6A' (1999)

Females

Non Smoker: 78.2% FA75/78 Ultimate plus 17.5% AIDS Basis 'R6A' (1999)
Smoker: 134.9% FA75/78 Ultimate plus 19.63% AIDS Basis 'R6A' (1999)

B1

2014

Males

90% PNMA00 modified⁽¹⁾ and CMI_2011_M [1.75%] improvement factors.

Females

90% PNFA00 modified⁽¹⁾ and CMI_2011_F [1.75%] improvement factors.

⁽¹⁾ For each policy, the base mortality rate is increased by 77.6% of a constant addition, based on the original underwriting assessment

2013

Males

90% PNMA00 modified⁽¹⁾ and CMI_2011_M [1.75%] improvement factors.

Females

90% PNFA00 modified⁽¹⁾ and CMI_2011_F [1.75%] improvement factors.

⁽¹⁾ For each policy, the base mortality rate is increased by 75% of a constant addition, based on the original underwriting assessment

B2

2014

Males

112.5% PNMA00 and CMI_2011_M [1.75%] improvement factors.

Females

99.0% PNFA00 and CMI_2011_F [1.75%] improvement factors.

2013

Males

110.7% PNMA00 and CMI_2011_M [1.75%] improvement factors.

Females

84.6% PNFA00 and CMI_2011_F [1.75%] improvement factors.

B3

2014

Males

98.0% PNMA00 and CMI_2011_M [1.75%] improvement factors.

Females

86.9% PNFA00 and CMI_2011_F [1.75%] improvement factors.

2013

Males

96.9% PNMA00 and CMI_2011_M [1.75%] improvement factors.

Females

90.9% PNFA00 and CMI_2011_F [1.75%] improvement factors.

B4

2014

Males

90.0% S1PMA and CMI_2011_M [1.75%] improvement factors.

Females

87.3% S1PFA and CMI_2011_F [1.75%] improvement factors.

2013

Males

96.2% S1PMA and CMI_2011_M [1.75%] improvement factors.

Females

83.6% S1PFA and CMI_2011_F [1.75%] improvement factors.

B5

2014

Males

95.4% RMV00 and CMI_2011_M [1.75%] improvement factors.

Females

100.8% RFV00 and CMI_2011_F [1.75%] improvement factors.

2013Males

91.8% RMV00 and CMI_2011_M [1.75%] improvement factors.

Females

95.4% RFV00 and CMI_2011_F [1.75%] improvement factors.

B6**2014**Males

95.4% S1PMA and CMI_2011_M [1.75%] improvement factors.

Females

89.1% S1PFA and CMI_2011_F [1.75%] improvement factors.

2013Males

93.6% S1PMA and CMI_2011_M [1.75%] improvement factors.

Females

88.2% S1PFA and CMI_2011_F [1.75%] improvement factors.

B7**2014**Males

94.5% S1PMA and CMI_2011_M [1.75%] improvement factors.

Females

91.8% S1PFA and CMI_2011_F [1.75%] improvement factors.

2013Males

87.3% S1PMA and CMI_2011_M [1.75%] improvement factors.

Females

87.3% S1PFA and CMI_2011_F [1.75%] improvement factors.

B8**2014**Males

90% PNMA00 modified⁽¹⁾ and CMI_2011_M [1.75%] improvement factors.

Females

90% PNFA00 modified⁽¹⁾ and CMI_2011_F [1.75%] improvement factors.

⁽¹⁾ For each policy, the base mortality rate is increased by 77.6% of a constant addition, based on the original underwriting assessment

2013Males

90% PNMA00 modified⁽¹⁾ and CMI_2011_M [1.75%] improvement factors.

Females

90% PNFA00 modified⁽¹⁾ and CMI_2011_F [1.75%] improvement factors.

⁽¹⁾ For each policy, the base mortality rate is increased by 75% of a constant addition, based on the original underwriting assessment

B9Males

79.2% PNMA00 and CMI_2011_M [1.75%] improvement factors.

Females

79.2% PNFA00 and CMI_2011_M [1.75%] improvement factors

B10Males

90% S1NMA_L and CMI_2011_M [1.75%] improvement factors.

Females

90% S1DFA_L and CMI_2011_M [1.75%] improvement factors

Products other than ex-RUK, ex-VML, ex-NMPL, ex-NMLL, ex-BLA and ex-ALICO

Assured Lives

Group	Product Descriptions	Mortality Basis 2014	Mortality Basis 2013
120	Conventional endowment with-profits OB savings	A1	A1
300	Regular premium non-profit WL/EA OB	A1	A1
315	Individual deposit administration non-profit	A1	A1
325	Level term assurance	A1	A1
330	Decreasing term assurance	A1	A1
500	Life UWP single premium	A2	A2
510	Life UWP endowment regular premium – savings	A2	A2
515	Life UWP endowment regular premium – target cash	A2	A2
525	Individual Pensions UWP Regular	A2	A2
535	Group money purchase pensions UWP	A2	A2
545	Individual deposit administration with-profits	A2	A2
700	Life property linked single premium	A2	A2
710	Life property linked whole life regular premium	A2	A2
715	Life property linked endowment regular premium – savings	A2	A2
720	Life property linked endowment regular premium – target cash	A2	A2
725	Individual pensions property linked	A2	A2
735	Group money purchase pensions property linked	A2	A2
745	DWP National Insurance rebates property linked	A2	A2
755	Trustee investment plan	A2	A2

Annuities in payment

Group	Product Descriptions	Mortality Basis 2014	Mortality Basis 2013	Expectation of Life Age 65 (2014)		Expectation of Life Age 75 (2014)	
				Male	Female	Male	Female
195	Annuity with-profits (PLA)	B1	B1	20.6	22.1	13.7	15.0
200	Annuity with-profit (CPA)	B2	B2	23.3	26.5	14.2	16.7

Group	Product Descriptions	Mortality Basis 2014	Mortality Basis 2013	Expectation of Life Age 65 (2014)		Expectation of Life Age 75 (2014)	
				Male	Female	Male	Female
395	Annuity non-profit (PLA)	B1 or B2 *	B1 or B2 *	20.6	22.1	13.7	15.0
400	Annuity non-profit (CPA)	B2	B2	23.3	26.5	14.2	16.7
400	Annuity non-profit (CPA) – ZAL	B3	B3	24.5	27.6	15.2	17.7
400	Annuity non-profit (CPA) – Swap 2	B4	B4	24.2	26.8	15.0	17.1
400	Annuity non-profit (CPA) – Swap 3	B6	B6	23.6	26.6	14.6	17.0
400	Annuity non-profit (CPA) – Swap 4	B7	B7	23.7	26.4	14.7	16.7
905	Index Linked Annuity (Life)	B1	B1	20.6	22.1	13.7	15.0
905	Index Linked Annuity (Pension)	B2	B2	23.3	26.5	14.2	16.7
905	Index Linked Annuity – Swap 2	B4	B4	24.2	26.8	15.0	17.1
905	Index Linked Annuity – Swap 3	B6	B6	23.6	26.6	14.6	17.0
905	Index Linked Annuity – Swap 4	B7	B7	23.7	26.4	14.7	16.7

* The expectation of life figures are illustrated for basis B1. These are structured settlements (impaired lives, individually underwritten). The expectation of life is calculated for a sample case. Basis B2 is used for other purchased life annuities, the total reserve for which is less than £10m.

Annuities in deferment

Grp	Product	Mortality Basis 2014	Mortality Basis 2013	Expectation of Life Age 65 (Now age 45)		Expectation of Life Age 65 (Now age 55)	
				Male	Female	Male	Female
155	Conventional Pensions Endowment With-Profits	In deferment: Males – 70% AM92 Females – 70% AF92	In deferment: Males – 70% AM92 Females – 70% AF92	24.1	27.8	23.3	26.9
		In possession: B2	In possession: B2				
390	Deferred Annuity Non-Profit	In deferment: Males – 70% AM92 Females – 70% AF92	In deferment: Males – 70% AM92 Females – 70% AF92	24.1	27.8	23.3	26.9
		In possession: B2	In possession: B2				

Ex-RUK products

Group	Product Descriptions	Mortality Basis 2014	Mortality Basis 2013
300	Regular premium non-profit WL/EA OB	A1	A1
320	Group Deposit Admin non-profit *	N/A	N/A
325	Level term assurance	A3	A3
330	Decreasing term assurance	A3	A3
360	PHI Active Lives – Individual	A4	A4

* The mathematical reserves are set to the accumulated fund

Ex-VML products

The mortality basis for ex-VML products are based on a mortality table supplied by a UK reinsurance company. There are two main products: Term Assurance and Accelerated Critical Illness. Both products are below the de-minimis reserve and office premium limits and so sample rates are not provided.

Ex-NMPL products

The following mortality bases were used in the valuation.

Product Group		Valuation Mortality Basis	
		Current Valuation	Previous Valuation
Conventional with profits assurances	Males Females	90% AM92 105% AF92	90% AM92 105% AF92
Conventional with profits cash sums	Males Females	80% AM92C15 lc [1.5%] 110% AF92C15 mc [1.0%]	80% AM92C15 lc [1.5%] 110% AF92C15 mc [1.0%]
Non-profit assurances	Males Females	66% AM92 77% AF92	66% AM92 77% AF92
Non-profit deferred annuities (pre-vesting)	Males Females	76% AM00C17 70% lc [2%] 76% AF00C17 52.5% lc [1.75%]	76% AM00C17 70% lc [2%] 76% AF00C17 52.5% lc [1.75%]
Non-profit deferred annuities (post-vesting)	Males Females	76% PMA00C33 70% lc [2%] 76% PFA00C33 52.5% lc [1.75%]	76% PMA00C33 70% lc [2%] 76% PFA00C33 52.5% lc [1.75%]
Annuities in payment	Males	99.9% PNMA00 + CMI_2011_M [1.75%] improvement factors	93.6% PNMA00 + CMI_2011_M [1.75%] improvement factors
	Females	74.7% PNFA00 + CMI_2011_F [1.75%] improvement factors	73.8% PNFA00 + CMI_2011_F [1.75%] improvement factors
Internal linked and unitised with profits pension contracts	Males Females	80% AM92C20 mc 80% AF92C20 mc	80% AM92C20 mc 80% AF92C20 mc

Where the CMI model improvement factors were used and a figure in square brackets is present, this represents the long term rate of improvement to which the projection converges (from above or below). Where the cohort factors were used and a figure in square brackets is present, the factors were subject to a minimum reduction each year in the mortality rate equal to the figure inside the brackets (reducing linearly to 0% between the ages of 90 and 120).

The following expectations of life are implied by the annuitant mortality bases used in the valuation.

Product Group		Expectation of Life			
		Current Valuation		Previous Valuation	
		65 [45]	65 [55]	65 [45]	65 [55]
Non-profit deferred annuities (post-vesting)	Males Females	26.6 28.4	26.6 28.4	26.6 28.4	26.6 28.4
		65	75	65	75
Annuities in payment	Males Females	24.3 28.9	15.0 18.9	24.8 28.9	15.4 18.8

In the above table, the heading 65 [45] means the expectation of life at age 65 for a current age of 45.

Ex-NMLL products

The following mortality bases were used in the valuation.

Product Group		Mortality Basis					
		Current Valuation			Previous Valuation		
		Basis	Expectation of Life		Basis	Expectation of Life	
			65	75		65	75
ERIP	Males Females	Modified PML00 Modified PFL00	21.0 25.2	12.5 15.7	Modified PML00 Modified PFL00	21.7 25.6	13.0 15.9
<u>Annuities</u>							
Standard	Males Females	79.2% PNMA00 79.2% PNFA00	26.4 28.3	16.8 18.3	79.2% PNMA00 79.2% PNFA00	26.4 28.3	16.7 18.3
Smoker	Males Females	Modified PMA00 Modified PFA00	22.3 24.9	14.4 16.2	Modified PMA00 Modified PFA00	22.8 25.2	14.7 16.5
Special group 1	Males Females	Modified PMA00 Modified PFA00	23.8 26.0	14.7 16.4	Modified PMA00 Modified PFA00	23.4 25.0	14.3 15.6
Special group 2	Males Females	Modified PMA00 Modified PFA00	21.9 23.2	14.3 15.5	Modified PMA00 Modified PFA00	23.3 26.3	14.9 16.9
Special group 3	Males Females	Modified PMA00 Modified PFA00	23.1 24.9	14.5 15.9	Modified PMA00 Modified PFA00	25.0 27.0	15.6 17.2
ILA group 1	Males Females	Modified PMA00 Modified PFA00	18.2 16.4	12.5 12.1	Modified PMA00 Modified PFA00	19.7 16.4	13.2 12.0
ILA group 2	Males Females	Modified PMA00 Modified PFA00	18.2 16.4	12.5 12.1	Modified PMA00 Modified PFA00	19.7 16.4	13.2 12.0
ILA group 3	Males Females	Modified PMA00 Modified PFA00	23.0 24.8	14.4 15.9	Modified PMA00 Modified PFA00	24.8 26.6	15.5 17.0

The future improvements in the rates of mortality were projected as follows:

Males

CMI_2011_M [1.75%]

Females

CMI_2011_F [1.75%]

Ex-BLA products

Assured Lives

Product Group	Valuation Mortality Basis	
	Current Valuation	Previous Valuation
Term Assurances	A5	A5
Whole of Life (charging not by unit deduction)	A6	A6
Endowments (charging not by unit deduction)	A7	A7
Barclays unit linked pension	A8	A8
Maximum Cover Plan	A9	A9
Woolwich Life Endowment Plan *	A10	A10
Barclays Endowment Plan (Mortgage and Savings) Series 2 & 3 *	A11	A11
Lifestages *	A12	A12

* The basis shown is for life cover only. For policies with life and accelerated Critical Illness cover the combined mortality and morbidity bases are described in 4(5).

Annuities in payment

Product Group	Valuation Mortality Basis		Expectation of Life Age 65 (2014)		Expectation of Life Age 75 (2014)	
	Current Valuation	Previous Valuation	Male	Female	Male	Female
Annuities in Payment	B5	B5	24.3	27.1	15.3	17.2

Ex-ALICO products

Assured Lives

Product Group	Valuation Mortality Basis	
	Current Valuation	Previous Valuation
Ex-WP whole life, endowment and pensions	110% AM/F92 ult	110% AM/F92 ult
Protection Plus Term Assurance	51.4% LC1 ⁽¹⁾	51.4% LC1 ⁽¹⁾
Protection Plus Accelerated Critical Illness – 1year renewable	67.7% LI1 ⁽¹⁾	67.7% LI1 ⁽¹⁾
Wellwoman	48.75% ELT 15	93.75% ELT 15
Crisis Cash Cover	75% ELT 15	75% ELT 15
Emergency Cash Cover and Income Replacement	87.5% ELT 15 modified	87.5% ELT 15 modified
Property linked Life & Pension Bonds	88% AM/F92 ult	88% AM/F92 ult
Other property linked Life and Pensions	110% AM/F92 ult	110% AM/F92 ult

(1) For specimen mortality rates from these non-standard tables, see ex-ALICO product rates in section 4(5).

Annuities in payment

Product Group	Valuation Mortality Basis		Expectation of Life Age 65		Expectation of Life Age 75	
	Current Valuation	Previous Valuation	Male	Female	Male	Female
Structured Settlement	B8	B8	20.4	21.8	13.6	14.9
Annuities in Payment	B9	B9	26.5	28.4	16.9	18.4
Spouse Death in Service	B10	B10	26.1	27.7	16.3	17.9

4 (5) **Valuation Morbidity Bases**

The following codes are used in the tables to define the morbidity basis:

C1 (Critical Illness)

Sample risk premium rates per £1,000 benefit for a Male Life, are as follows:

Age	Gan policies sold pre-1995		Gan policies sold post-1995		Remaining Products	
	Smoker	Non Smoker	Smoker	Non Smoker	Smoker	Non Smoker
25	0.76	0.57	0.44	0.35	N/A	N/A
35	1.81	1.27	1.24	0.81	1.39	0.94
45	5.89	4.00	4.24	2.50	4.87	3.00
55	11.49	7.70	10.26	6.29	12.80	7.94

Permanent Disability

Risk premium rates are as follows:

Age Next Birthday	Percentage of A1967-70 (2) Ultimate
25	30.00
35	30.00
45	33.75
55	45.00

D1 (Income Protection – Claims in Payment)Terminations

The valuation assumption is expressed as a percentage adjustment to CMIR12 Income Protection (Claims in Payment) termination rates.

In Payment	Valuation Basis (% of CMIR12)			
Duration (Months)	Deferred Period			
	4 Weeks	13 Weeks	26 Weeks	52 Weeks
2	52.2			
3 – 6	45.0	34.2		
7 – 12	109.8	63.0	33.3	
13 – 24	63.0	63.0	54.0	49.5
25 – 60	90.0	72.0	58.5	63.0
61 +	67.5	67.5	67.5	67.5

D2 (Income Protection – Actives)Inceptions

The valuation assumption is expressed as a percentage adjustment to CMIR12, with occupational and class loadings being applied multiplicatively.

Income Protection (Actives) – Inception Rates

Deferred Period (Months)	Valuation Basis (% of CMIR12)
1	43.75
3	56.25
6	112.50
12	175.00

Income Protection (Actives) – Occupational class loadings

Occupational Class	% Loading
1,6,7	100
2	150
3	200
4	300

Occupation classes 6 (professionals) and 7 (medicals) are a subset of class 1

Income Protection (Actives) – Sex status loadings

Sex	Valuation Basis (% of CMIR12)
Male	100
Female	240

Terminations

The valuation assumption is expressed as a percentage adjustment to CMIR12

Income Protection Termination rates

Actives	Valuation Basis (% of CMIR12)			
Duration (Months)	Deferred Period			
	4 Weeks	13 Weeks	26 Weeks	52 Weeks
2	58			
3 – 6	50	38		
7 – 12	122	70	37	
13 – 24	70	70	60	55
25 – 60	100	80	65	70
61 +	75	75	75	75

For policies with guaranteed premiums, a deterioration of 1% p.a. in experience is assumed.

For the small amount of linked PHI business, the valuation morbidity basis is assumed to be the risk premium deduction rates.

Other than ex-RUK, ex-VML, ex-NMPL, ex-NMLL, ex-BLA and ex-ALICO products

Group	Product Description	2014 Basis	2013 Basis
350	Stand-alone critical illness (guaranteed premiums)	C1	C1
385	Income protection claims in payment	D1	D1
700	Life property linked single premium	C1	C1
710	Life property linked whole life regular premium	C1	C1
715	Life property linked endowment regular premium – savings	C1	C1
720	Life property linked endowment regular premium – target cash	C1	C1

Ex-RUK products

Group	Product Description	2014 Basis	2013 Basis
360	Income protection Active Lives – Individual with guaranteed premiums	D2	D2
365	Income protection Active Lives – Individual with reviewable premiums	D2	D2
385	Income protection claims in payment – Individual	D1	D1
420	Income protection Active Lives – Group	D2	D2
425	Income protection claims in payment – Group	D1	D1

Ex-NMLL products

The following morbidity bases were used in the valuation.

Product Group	Morbidity Basis	
	2014 Basis	2013 Basis
ERIP	A 35% uplift to the mortality rate, tapered during the first five policy years	A 35% uplift to the mortality rate, tapered during the first five policy years

Ex-BLA products

For unit linked ex-Woolwich Life products with accelerated Critical Illness cover a combined mortality and morbidity assumption based on reinsurer's rates is used. Specimen rates per mille are shown in the following table:

Age	Non-smoker		Smoker	
	Male	Female	Male	Female
25	0.79	0.54	1.43	0.96
35	1.26	1.21	2.27	2.19
45	4.00	2.85	7.18	5.08
55	11.01	7.13	19.64	12.51

For Barclays Endowment Plan 2+, and Barclays Endowment Plan 3+, the combined mortality and morbidity rates are equal to the charging rates on the product. Specimen rates per mille are shown in the following table:

Age	Non-smoker		Smoker	
	Male	Female	Male	Female
25	0.93	0.59	1.43	0.91
35	1.78	1.96	2.65	3.10
45	5.74	4.39	9.00	6.92
55	13.10	9.64	20.47	14.99

For Lifestages+, the combined mortality and morbidity rates are equal to the charging rates on the product. Specimen rates per mille are shown in the following table:

Age	Non-smoker		Smoker	
	Male	Female	Male	Female
25	0.85	0.53	1.40	0.85
35	1.56	1.84	2.50	3.02
45	5.47	4.18	8.92	6.84
55	12.15	9.07	20.04	14.72

Ex-ALICO products

Specimen rates for non-standard mortality and morbidity tables for ex-ALICO products are shown below. Rates are per 1,000 lives per annum.

L11 - Accelerated Critical Illness

Age x	Male Non Smokers	Male Smokers	Female Non Smokers	Female Smokers
	Ult (x-5)+5	Ult (x-5)+5	Ult (x-5)+5	Ult (x-5)+5
25	1.7	2.68	1.38	1.38
35	1.73	3.21	1.89	2.5
45	3.98	8.83	4.05	6.03
55	12.33	27.87	8.3	14.52

LC1 - Life Cover

Age x	Male Non Smokers	Male Smokers	Female Non Smokers	Female Smokers
	Ult (x-5)+5	Ult (x-5)+5	Ult (x-5)+5	Ult (x-5)+5
25	1.02	1.46	0.44	0.44
35	0.69	1.01	0.66	0.93
45	1.27	2.43	1.15	2.22
55	3.49	8.79	2.68	5.94

Critical Illness

Wellwoman – 140% of rates in the following table

Age	Cancer Diagnosis	Cancer Death (within 5 years of diagnosis)
25	0.27	0.02
35	0.75	0.06
45	2.09	0.16
55	3.29	0.25

Crisis Cash – 53.76% of rates in the following table

Age	GROUP1 - Cancer, Stroke or Heart Attack	GROUP2 - MS, Alzheimer's, Parkinson's or Motor Neurone	TPD	ACC - Accidental injuries
25	0.40	0.08	0.10	0.15
35	0.57	0.11	0.10	0.15
45	2.02	0.24	0.10	0.15
55	6.36	0.86	0.10	0.15

Emergency Cash and Income Replacement

The inception rates shown for these products are per individual life per annum. The rates shown as 'term' are the annuities that are applied to the monthly income amounts. It is relevant and practical to show annuity rates rather than recovery rates at duration of 2 and 5 years since for the majority of these products the income is payable for a maximum period of one year. The term0 rates show the annuity which applies for income payable up to 8 weeks following inception where there is no deferred period and the term8 rates show the annuity which applies where income is payable for up to 44 weeks following the deferred period of 8 weeks. The term5 rates show the annuity which applies for income payable from week 53 to age 65, where this option is selected.

Age	DP0: Deferred - 0 Week		
	Accident Only		Accident and Sickness
	Inception incept0a	Annuity term0	Inception incept0c
25	0.07	1.5	0.08
35	0.06	1.56	0.07
45	0.05	1.62	0.07
55	0.04	1.7	0.09

Age	DP8: Deferred - 8 Week			
	Accident Only		Accident and Sickness	
	Inception incept8a	Annuity term8a	Inception incept8c	Annuity term8c1
25	0.02	3.13	0.02	3.42
35	0.02	3.67	0.02	3.73
45	0.02	4.32	0.03	4.23
55	0.02	4.92	0.05	4.89

Age	DP52: Deferred - 52 Weeks		
	Accident Only		Accident and Sickness
	Inception incept5a	Annuity term5	Inception incept5c
25	0.0018	175.4262	0.0023
35	0.0027	164.2455	0.0033
45	0.0044	138.9216	0.0056
55	0.0066	89.5182	0.0129

4 (6) Valuation Expenses

ReAssure Limited has entered into a Management Services Agreement with Admin Re UK Services Limited ("ARUKSL"), a fellow group company, where ARUKSL provides administration services to ReAssure Limited in return for pre-determined fees.

For all blocks of business (but excluding the ex-BLA business) the fees under the arrangement are defined on a per-policy basis and are indexed in line with RPI (or RPIX) plus 1% p.a.. The fees cannot be increased without the prior consent of the Company. For this business the renewal expenses used in the valuation are set equal to the fees payable under the ARUKSL Management Services Agreement.

In respect of the ex-BLA business the ARUKSL Management Services Agreement provides that the fees payable are indexed in line with RPI plus 1% p.a. and they reduce each year in line with policy count. The fees cannot otherwise be increased without the prior consent of the Company.

An agreement is also in place with HCL Insurance BPO Services Limited in respect of the ex-BLA business under which HCL provides policy administration services to the company, in return for pre-determined fees charged on a per policy basis. These fees increase in line with 25% RPI + 75% AWE.

For the ex-BLA business the renewal expense assumption used in the valuation has been determined by allocating the fees due under both the ARUKSL and HCL Management Services Agreements on a per-policy basis.

Other than ex-NMPL, ex-NMLL, ex-BLA and ex-ALICO products

Non Profit Fund

The following per policy annual expenses have been assumed in the valuation:

Contract type	Type	2014 Expense Assumptions			2013 Expense Assumptions		
		Regular	PUP	Single	Regular	PUP	Single
		£	£	£	£	£	£
Non-linked							
Non-profit contracts	Life and Pens	27.41	21.93	21.93	26.46	21.17	21.17
Non-profit contracts	PHI	41.11	41.11	41.11	39.69	39.69	39.69
Annuities-in-payment *	Life and Pens			20.56			19.84
Unit-Linked	Life	54.82	27.41	27.41	52.91	26.46	26.46
	Pension	82.23	27.41	27.41	79.37	26.46	26.46
	PHI	54.82	27.41	27.41	52.91	26.46	26.46

* Includes structured settlements

The expense assumptions for the remaining contracts are as follows:

Contract type	2014 Expense Assumption	2013 Expense Assumption
PHI in payment	5% of payments	5% of payments
Waiver in payment	10% of payments	10% of payments
Risk Premium (accepted)	0% of premiums	0% of premiums

The per policy expenses are assumed to inflate by 4.00% p.a. (2013 4.50% p.a.). For life products, allowance is made for tax relief at 20%. For policies with a limited premium term, the expenses are assumed to fall to paid-up levels when premiums cease.

With Profit Fund

The following per policy annual expenses have been assumed in the valuation:

Contract type	Type	2014 Expense Assumptions			2013 Expense Assumptions		
		Regular	PUP	Single	Regular	PUP	Single
		£	£	£	£	£	£
Non-Linked							
WP – Unitised	Life	60.30	30.15	30.15	58.21	29.10	29.10
WP – Unitised	Pension	90.45	30.15	30.15	87.31	29.10	29.10
WP – Traditional	Life	60.30	30.15	30.15	58.21	29.10	29.10
WP – Traditional	Pension	90.45	30.15	30.15	87.31	29.10	29.10
Non-profit contracts	Life and Pens	30.15	24.12	24.12	29.10	23.28	23.28
Non-profit contracts	PHI	24.12	24.12	24.12	23.28	23.28	23.28
Annuities-in-payment *	Life and Pens			36.18			34.92
Unit-Linked	Life	60.30	30.15	30.15	58.21	29.10	29.10
	Pension	90.45	30.15	30.15	87.31	29.10	29.10
	PHI	60.30	30.15	30.15	58.21	29.10	29.10

* Includes structured settlements

The expense assumptions for the remaining contracts are as follows:

Contract type	2014 Expense Assumption	2013 Expense Assumption
PHI in payment	5% of payments	5% of payments
Waiver in payment	10% of payments	10% of payments
Riders and extra premiums	10% of premiums	10% of premiums
Risk Premium (accepted)	0% of premiums	0% of premiums

The per policy expenses are assumed to inflate by 4.00% pa (2013 4.50% pa). For life products, allowance is made for tax relief at 20%.

Ex-NMPL products

The following per policy annual expenses have been assumed in the valuation:

For policies in the National Mutual Fund:

Product Group		Expense Basis			
		2014 Expense Assumption		2013 Expense Assumption	
		Regular Premium	Single Premium /Paid-Up	Regular Premium	Single Premium /Paid-Up
Conventional with profits contracts	Life policies	£28.44	£21.33	£27.72	£20.79
	Personal pensions	£31.26	£23.45	£30.47	£22.85
	Group pensions	£116.78	£21.91	£113.82	£21.35
	Contracted-out personal pensions	£31.26	-	£30.47	-
	Corporate pensions	£129.70	£97.28	£126.42	£94.81
	Investment costs	0.10%	0.10%	0.10%	0.10%

For policies in the With Profit Fund:

Product Group		Expense Basis			
		2014 Expense Assumption		2013 Expense Assumption	
		Regular Premium	Single Premium /Paid-Up	Regular Premium	Single Premium /Paid-Up
Non profit assurances	Life & Pensions	£30.15		£29.10	
Annuities in payment			£36.18		£34.92
Internal linked and unitised with profits pension contracts	Personal pensions	£90.45	£30.15	£87.31	£29.10
	Group pensions	£90.45	£30.15	£87.31	£29.10
	Contracted-out personal pensions	£60.30	-	£58.21	-
	Drawdown	n/a	£150.68	n/a	£145.45
	Corporate pensions	£90.45	£30.15	£87.31	£29.10

For policies in the Non Profit Fund:

Product Group		Expense Basis			
		2014 Expense Assumption		2013 Expense Assumption	
		Regular Premium	Single Premium /Paid-Up	Regular Premium	Single Premium /Paid-Up
Annuities in payment			£20.56		£19.84
Internal linked and unitised with profits pension contracts	Personal pensions	£82.23	£27.41	£79.37	£26.46
	Contracted-out personal pensions	£41.11	-	£39.69	-
	Group pensions	£82.23	£27.41	£79.37	£26.46
	Drawdown	n/a	£150.68	n/a	£145.45
	Corporate pensions	£82.23	£27.41	£79.37	£26.46

The per policy expenses are assumed to inflate by 4.00% p.a. (2013 4.50% p.a.). Tax relief was assumed to be available for life policies at a rate of 20%. The investment costs for the conventional with-profit contracts are percentages of funds under management. For annuities-in-payment and other non-profit policies, the valuation rate of interest includes a deduction for investment costs of 12bp in the Non Profit Fund and 10bp in the With Profit Fund.

Ex-NMLL products

The following expense levels were used in the valuation:

Product Group		Expense Basis	
		2014 Expense Assumption	2013 Expense Assumption
ERIP	Unit cost	£411.14 p.a.	£396.86 p.a.
Annuities	Unit cost	£20.56 p.a.	£19.84 p.a.

Unit costs are assumed to inflate by 4.00% p.a. (2013 4.50% p.a.). Tax relief was assumed to be available for ERIP policies at a rate of 20%. The valuation interest rate includes a 12bp deduction for investment costs.

Ex-BLA products

The following per policy annual expenses have been assumed in the valuation:

Product Group	Expense Basis	
	2014 Expense Assumption	2013 Expense Assumption
Annuities	£17.37	£17.03
Other non-linked	£20.39	£19.54
Linked Regular premium (life), including 'Paid-Up'	£16.02	£15.33
Linked Single Premium Life	£11.81	£11.30
Linked premium paying pensions	£16.34	£15.62
Other linked pensions (including SERPS rebate policies receiving contributions)	£11.44	£10.95

The above expenses are assumed to inflate at 4.65% per annum (2013 5.16% p.a.). For life products, allowance is made for tax relief at 20%.

The following table summarises the investment expenses as a percentage of reserves used in the statutory valuation calculations for products where there is no implicit allowance within the valuation interest rate:

	Investment Expenses as a percentage of reserves	
	2014 Expense Assumption	2013 Expense Assumption
Internal life funds	0.120%	0.120%
Internal pension funds	0.120%	0.120%
Directly linked to unit trusts	0.120%	0.120%

The valuation interest rate for non-linked products includes a deduction for investment costs of 12bp for annuities and income protection claims in payment and 10bp for other non-linked products.

Ex-ALICO products

Product Group	Expense Basis			
	2014 Expense Assumption		2013 Expense Assumption	
	Regular Premium / Paid-Up	Single Premium	Regular Premium / Paid-Up	Single Premium
Annuities		£14.85		£14.33
Individual non-profit protection products	£18.22		£17.59	
Non-profit Life and Pension products	£29.70		£28.66	
Unit Linked Life & Pension Bonds		£134.98		£130.29
Other Unit Linked Life & Pensions	£29.70	£29.70	£28.66	£28.66

The per policy expenses are assumed to inflate by 4.00% p.a. (2013 4.50% p.a.). Tax relief was assumed to be available for life policies at a rate of 20%. For annuities-in-payment and other non-profit policies, the valuation rate of interest includes a deduction for investment costs of 12bp for annuities and income protection claims in payment and 10bp for other non-linked products.

4 (7) Unit growth rates

The following unit growth rates (before management charges) and inflation rates for future increases in policy servicing charges were used in the valuation.

Other than ex-BLA business

Assumption	Rate p.a.	
	Current Valuation	Previous Valuation
Unit growth (gross)	3.80%	4.78%
Unit growth (net)	3.70%	4.66%
Expense inflation	4.00%	4.50%
Administration charge inflation	4.00% *	4.50% *

* Zero or RPI for ex-Aetna products; zero for ex-NMPL products; zero for Investment Mortgage Protection products

Ex-BLA business

Product Group		Rate p.a.	
		Current Valuation	Previous Valuation
Life assurance contracts	Unit growth rate	3.70%	4.66%
Pension contracts	Unit growth rate	3.80%	4.78%
Expense inflation		4.65%	5.16%
Policy Servicing Charge inflation rate		5.00% *	5.50% *

* where the charge is reviewable

4 (8) Future Bonus Rates

Other than ex-NMPL business

A gross premium valuation is used for traditional with-profit business and no explicit future bonus rate is allowed for within the valuation.

For accumulating with-profit business allowance for future bonuses has been made in the valuation, at the following rates:

- For pension (Individual Funding Schemes and Individual Pension Plans) it is assumed that the current reversionary bonus rate is reduced linearly over the next 3 years to 0.1% p.a. in addition to the guaranteed bonuses.
- For all other contracts it is assumed that the current bonus rate is reduced uniformly over the next 3 years to 0.25% p.a.

Ex-NMPL business

The mathematical reserves for conventional with-profit contracts have been increased to allow for the reversionary bonus accrued from the policy anniversary in the financial year to the valuation date, to the extent that it is not included in the cost of bonus for that year. No further reserve has been made for future annual or final bonuses.

4 (9) Persistency Assumptions

Other than ex-NMPL, ex-BLA and ex-ALICO business

Product	Average lapse rate for the policy years			
	1-5	6-10	11-15	16-20
Level term	13.6%	8.3%	5.0%	4.6%
Decreasing term	12.2%	10.2%	8.0%	8.0%
Accelerated critical illness	9.2%	7.1%	5.8%	5.8%
Income protection	10.8%	6.0%	5.1%	5.1%

A margin was added to the valuation lapse rates at each duration at a policy level. The reserves were calculated using the combination of lapse assumptions and margins that produced the most prudent result. No allowance was made for future lapses for unit-linked business.

The lapse margins assumed on protection business were as follows:

Product	Lapse Margin
Level term	+/- 35%
Decreasing term	+/- 35%
Accelerated critical illness	+/- 50%
Income protection	+/- 50%

Automatic withdrawals on unit-linked and unitised with-profit bonds were allowed for at the current level (up to a maximum of 7.5% p.a.). Policy conditions do not allow for a change in the withdrawal level after inception on unitised with-profit policies.

Ex-NMPL business

No allowance was made for discontinuance other than on death (except when valuing the guaranteed annuity rates under a number of the pension policies in the National Mutual Fund, as described in paragraph 5). However, a pattern of retirements was assumed for conventional with-profit pension contracts consistent with recent experience.

Ex-BLA business

Product	Average lapse rate for the policy years			
	1-5	6-7	8-9	10+
Barclays Life Term Assurances	5.5%	5.5%	5.5%	5.5%
Woolwich Life Term Assurances	5.0%	5.0%	5.0%	3.75%

Ex-ALICO business

Product	Average lapse rate for the policy years			
	1-5	6-10	11-15	16-20
Level Term	17.3%	2.5%	0.5%	0.5%
Accelerated Critical Illness	18.1%	2.8%	0.5%	0.5%
Income Protection	22.4%	2.4%	0.2%	0.1%

The lapse margins assumed on protection business were as follows:

Product	Lapse Margin
Level term	+/- 35%
Decreasing term	+/- 35%
Accelerated critical illness	+/- 50%
Income protection	+/- 50%

For protection products with Return of Premium benefit, zero lapses are assumed after six years.

4 (10) Other material basis assumptions

All material assumptions are stated above.

4 (11) Derivative Contracts

No direct allowance was required within the mathematical reserves for any derivative contracts.

4 (12) Not applicable.

Options and guarantees

5 (1) Guaranteed Annuity Rate options

Other than ex-NMPL and ex-ALICO business

Certain deferred annuity, pure endowment and executive pension contracts have guaranteed annuity rates. An additional reserve was held assuming that the annuity option is exercised, reduced by 15% initially (this proportion reduces linearly to 5% after 20 years) to allow for a proportion of the benefits to be taken in cash form.

For all products except ex-RUK, the annuity was valued using an interest rate of 2.04% p.a. and expenses of 2.5%.

At the point of vesting, male and female lives are costed at a unisex rate derived by assuming 50% of lives are male. The mortality assumed was:

Males

99.9% PNMA00 and CMI_2011_M[1.75%] improvement factors.

Females

74.7% PNFA00 and CMI_2011_F[1.75%] improvement factors.

The total additional reserve at the valuation date was £31.5m. Of this, £0.8m related to guaranteed annuity options on ex-RUK products. The guarantee on these products covers mortality only. The provision was set equal to the projected cost of the option with due allowance for future premiums.

(i)	Product Name		Self Employed Personal Pension
(ii)	Basic Reserve		£18,098,000
(iii)	Spread of Outstanding	0 - 5 years	37%
	Durations:	5 - 10 years	32%
		10 - 15 years	25%
		15 - 20 years	5%
		20 - 25 years	1%
		25 - 30 years	0%
		30 - 35 years	0%
(iv)	Guarantee Reserve		£21,009,000
(v)	Guaranteed Annuity Rate		11.16%
(vi)	Increments Possible?		No
(vii)	Form of Annuity		Single life, level, Guarantee period 5 years, payable monthly in advance
(viii)	Retirement Ages		55-75

Other products make up the remaining £9.7m of the Guarantee Reserve, each of which has basic reserves smaller than the lesser of £10m and 1% of the total mathematical reserves.

Ex-NMPL business

The mathematical reserves for conventional with-profit pension contracts with guaranteed minimum annuity rates were calculated initially using a gross premium method with the benefits in the form of a guaranteed cash sum. An additional reserve was then established for the option under the policy to take the benefits in the form of an annuity on guaranteed terms. The reserve was calculated using a stochastic Monte Carlo projection of the future liabilities with a risk-neutral set of economic scenarios calibrated to market conditions as at the valuation date. The guaranteed annuity rate was applied to only the guaranteed cash sum, no allowance being made for the prospective cost on any final bonus that may be added at maturity.

The pre-retirement mortality rate for males was set to 75% AM00 projected to the year 2017 using 70% of the Long Cohort improvement factors subject to a minimum reduction in the mortality rate of 1.5% each year. For females, 85% AF00 was used, projected to the year 2017 using 52.5% of the Long Cohort improvement factors subject to a minimum reduction in the mortality rate of 1.125% each year.

Withdrawal rates were as set out in the table below.

Product Type	Rate p.a.			
	Current Valuation		Previous Valuation	
	Regular Premium	Single Premium	Regular Premium	Single Premium
<u>Surrender rates (to age 60)</u>				
S226	1.5%	1.5%	1.5%	1.5%
Personal pension	1.5%	1.5%	1.5%	1.5%
Corporate pension	2.0%	2.0%	2.0%	2.0%
<u>Paid-up rates</u>				
S226	1.5%		1.5%	
Personal pension	2.0%		2.0%	
Corporate pension	7.0%		7.0%	

The same pattern of retirement rates was used as for the valuation of the cash sum. For the Personal Pension Plans, the initial take-up rate of the guarantee was 95%, with 80% of the retirement fund being used to purchase an annuity. The corresponding percentages for Personal Harvester were 82% and 80% respectively, and for Executive Pension Plans and Harvesters, 100% and 85%, respectively. In all cases, it was assumed that over the next 20 years, the take-up rate rises to 100% and the proportion of fund taken as an annuity rises to 95% (so that for each product, the overall rate of conversion rises linearly over this period to 95%).

At the point of vesting, male and female lives are costed at a unisex rate derived by assuming 50% of lives are male. The mortality assumed was:

Males

99.9% PNMA00 and CMI_2011_M[1.75%] improvement factors.

Females

74.7% PNFA00 and CMI_2011_F[1.75%] improvement factors

A similar method was used for a small number of internal linked pension contracts with a guaranteed minimum annuity rate.

Further details are set out in the table below:

(i)	Product name	Personal Pension Plan
(ii)	Basic reserve	£115,857,000
(iii)	Spread of outstanding durations	50% within 5 years, 100% within 20 years
(iv)	Guarantee reserve	£100,416,000
(v)	Guaranteed annuity rate	9.75% of the cash sum
(vi)	Increments	Permitted
(vii)	Form of annuity	Any
(viii)	Retirement ages	Normally 60 to 75
(i)	Product name	Personal Harvester
(ii)	Basic reserve	£24,052,000
(iii)	Spread of outstanding durations	25% within 5 years, 90% within 20 years
(iv)	Guarantee reserve	£11,780,000
(v)	Guaranteed annuity rate	8.68% of the cash sum
(vi)	Increments	Not permitted
(vii)	Form of annuity	Any
(viii)	Retirement ages	Normally 55 to 75

The guaranteed annuity rates in the table above are annualised rates for a male life aged 65 at retirement receiving a single life level annuity payable monthly in arrears with a five-year guarantee period.

Other products make up the remaining £12.5m of the Guarantee Reserve, each of which has basic reserves smaller than the lesser of £10m and 1% of the total mathematical reserves.

Ex-ALICO business

Ex-Alico Personal Retirement Plan policies contain a guaranteed annuity option exercisable at the retirement age stated in the policy schedule. An additional reserve was held assuming that the annuity option is exercised, reduced by 15% initially (this proportion reduces linearly to 5% after 20 years) to allow for a proportion of the benefits to be taken in cash form.

The annuity was valued using an interest rate of 2.04% p.a. and expenses of 2.5%. Post-retirement mortality assumed basis B2 as described in paragraph 4(4).

(i)	Product Name	Personal Retirement Plan
(ii)	Basic Reserve	£13,743,000
(iii)	Spread of Outstanding Durations:	0 - 5 years 35%
		5 - 10 years 35%
		10 - 15 years 24%
		15 - 20 years 6%
		20 - 25 years 0%
		25 - 30 years 0%
		30 - 35 years 0%
(iv)	Guarantee Reserve	£14,559,000
(v)	Guaranteed Annuity Rate	10.68%
(vi)	Increments Possible?	No
(vii)	Form of Annuity	Annually in arrears
(viii)	Retirement Ages	60 to 75

5 (2) Investment performance guarantees

Other than ex-NMPL

Guaranteed Maturity Values

Investment performance guarantees exist on Growth Builders, Investment Protection Programme, Future Assured Growth Whole Life and Endowments, Flexible Investment Growth Whole Life and Endowments, Flexiplans and High Cover Savings plans, Series 1 Personal Retirement Plans and Tulip 2 policies.

For each of these products, 10,000 sequences of unit prices were randomly simulated assuming 2.19% p.a. mean growth for unit linked assets and a standard deviation of 18% pa. Where the investment guarantee applies, the shortfalls were discounted back at 2.19% pa. The 500th highest result was taken as the reserve.

The basic reserves for each of these products do not exceed £10m or 1% of total reserves.

Guaranteed Maturity Values (where policy review recommendations are followed)

These are guarantees that the maturity value will at least equal the sum assured at maturity, provided the policy review recommendations are followed. The provision is calculated by randomly simulating 10,000 sequences of unit prices assuming a mean unit price growth rate of 2.19% p.a. and a standard deviation of 18% p.a. Policy reviews were simulated in accordance with normal practice. Maturity shortfalls were then discounted back at 2.19% p.a. The 500th highest result was taken as the reserve.

Only certain Universal Mortgage Plan and Origins policies have maturity guarantees attaching.

The basic reserves for this product do not exceed £10m or 1% of total reserves.

Guaranteed Minimum Pension

This is a guarantee that at Normal Retirement Date the Guaranteed Minimum Pension (GMP) will be met. The cash equivalent of the GMP is valued using an interest rate of 2.04% p.a. and expenses of 2.5%. Post-retirement mortality assumed basis B2 as described in paragraph 4(4).

A total of 10,000 sequences of unit prices were randomly simulated assuming 2.19% p.a. mean unit price growth (for policies investing in the Guaranteed Fund a mean unit price growth at the minimum level of 5% is assumed) and a standard deviation of 18% p.a. Maturity shortfalls were then discounted back at 2.19% p.a. The 500th highest result was taken as the reserve.

Only certain Crown Bonds have a Guaranteed Minimum Pension.

The basic reserves for this product do not exceed £10m or 1% of total reserves.

Ex-NMPL business

There are no material guaranteed surrender or unit-linked maturity values under any of the Company's contracts. However, the retirement benefits under the unitised with-profit pension contracts can be taken without a market value reduction factor being applied typically within five years of the originally selected retirement date, or, for policies or increases commencing after March 1995, only on the originally selected retirement date itself.

5 (3) **Guaranteed Insurability Options**

Ex-RUK products

Where contracts include additional options, due allowance for the options has been made in setting the basis of valuation. Most of the options granted are very limited. The relatively small costs involved were provided for within the aggregate mortality or morbidity assumption.

Ex-VML products

There are no significant options. The One Account product has the option to add Critical Illness to the policy with the same fixed sum assured already in place. There is also the option to increase the sum assured within limits and without further underwriting when the policyholder moves home. The relatively small costs involved are provided for within the aggregate mortality or morbidity assumptions. There is no separate guarantee reserve.

The Virgin Life Cover product has the option to add critical illness to the policy with the same fixed sum assured already in place. There is no separate guarantee reserve.

For the remaining products, the options are valued as follows:

Convertible Term Assurances

The cost of the conversion option is allowed for by assuming life cover is extended for a further two years beyond the term of the policy.

Renewable Term Assurances

A small number of term assurances have an option to renew the contract at five-yearly intervals and increase the sum assured within specified limits without further evidence of health. An additional reserve of 20% of the annualised premium is held for these options.

Ex-BLA products

Guaranteed Insurability Options on ex-BLA policies are limited in scope as there are restrictions on when they can be taken (conditional on age, elapsed policy duration and other events) and the amount. For some term assurances and mortgage endowments linked to Barclays Bank mortgages, the policyholder has the option to increase their sum assured without underwriting should they increase their mortgage. For the whole life assurance product Lifestages and the stand alone critical illness product Critical Illness Benefit there is a similar such option available on the taking out of a new or additional mortgage, upon marriage, or upon the birth of a child.

No reserves are held in respect of Guaranteed Insurability Options as there are few policies meeting the required restrictions and there is little evidence to suggest that those policyholders would exercise the option in the way most onerous to the company.

5 (4) Other Options

Other than ex-NMPL

There are no significant other options. Minor options exist to increase sums assured under various conditions (for example marriage, moving home). The cost of these options is covered by the margins in the mortality and morbidity valuation assumptions.

Ex-NMPL products

Some of the ex-NMPL conventional with-profit pension contracts are written as deferred annuities with an option to convert the guaranteed annuity and attaching reversionary bonuses into an equivalent guaranteed cash sum using a commutation factor set out in the policy document. There are also some section 32 contracts which are written as cash sums but include a guaranteed minimum level for the annuity to be purchased at State Pension Age.

These contracts are valued using a similar method and basis to that described in paragraph 5(1). The guaranteed cash sum is valued first, with an additional reserve held for the guaranteed annuity.

Further details are set out in the table below.

(i)	Product name	Discretionary Pension Plan
(ii)	Basic reserve	£8,571,000
(iii)	Spread of outstanding durations	
(iv)	Guarantee reserve	£5,402,000
(v)	Commutation factor	£10.30 of cash per £1.00 of annuity
(vi)	Increments	Not permitted
(viii)	Retirement ages	Up to NRD
(i)	Product name	Harvester 32
ii)	Basic reserve	£9,687,000
(iii)	Spread of outstanding durations	
(iv)	Guarantee reserve	£10,458,000
(vi)	Increments	Not permitted
(viii)	Retirement ages	State Pension Age

The cash commutation factor in the table above is for a male life aged 65 at retirement receiving a single life level annuity payable monthly in arrears with a five-year guarantee period.

Expense reserves

- 6 (1) The aggregate amount of expense loadings, grossed up for tax where appropriate, expected to arise during the twelve months from the valuation date from implicit and explicit reserves made at the valuation date to meet expenses in fulfilling contracts in force at the valuation date is set out in the table below:

Homogeneous risk group	Amount (£)				
	Implicit Allowances	Explicit Allowances (Investment)	Explicit Allowances (Other)	Non-attributable Expenses	Total
Ex-BLA Unit linked Life	-	1,081,000	1,147,000	448,000	2,676,000
Ex-BLA Unit Linked Pensions	-	5,341,000	3,329,000	1,362,000	10,032,000
All expenses attributable	-	20,123,000	37,016,000		57,139,000
Total	-	26,545,000	41,492,000	1,810,000	69,847,000

The figure for maintenance expenses is based on policy counts as at the valuation date. In practice, the actual amount released by the valuation basis will be slightly lower than this due to projected contractual withdrawals. The figure for investment expenses is based on the reserve as at the valuation date for non-linked business and ex-BLA linked business, and on the actual costs paid in 2014 for other linked business.

- 6 (2) Not applicable.
- 6 (3) At 31 December 2014, the valuation expense margin is consistent with the levels prior to 31 December 2014. The investment and maintenance expense loadings in paragraph 6(1) from the company total £69,847,000. This compares with expenses of £68,092,000 in line 14 of Form 43.
- 6 (4) The company is selling a small amount of new business. No additional reserve is required in respect of transacting business at this level, as the acquisition expenses are covered by the margins in the business.
- 6 (5) The cost of closure to new business in twelve months time would be very small and would be covered by prudent margins arising from existing business. No reserve was therefore considered necessary. However, a provision has been set up to cover the cost of MSA discontinuance.
- 6 (6) **Non-attributable expenses**

Other than for the ex-BLA unit-linked business, no expenses have been treated as non-attributable.

For the ex-BLA unit-linked business, the overhead expenses have been treated as non-attributable expenses for valuation purposes. The margins arising from the annual management charges of the business are in excess of this cost by a significant margin and this is expected to be the case for the foreseeable future. Hence an explicit provision for this cost has not been set up.

Mismatching reserves

- 7 (1) In excess of 99.9% of the liabilities underlying the mathematical reserves (other than liabilities for property linked benefits, but including deposits received from reinsurers for ex-NMLL business) are denominated in Sterling, as are the assets which match them.
- 7 (2) Not applicable.
- 7 (3) No reserve was required for currency mismatching.
- 7 (4) Not applicable; the company is a realistic basis firm.
- 7 (5) Not applicable.
- 7 (6) Not applicable.
- 7 (7) No reserve was considered to be necessary to meet the tests on assets in INSPRU 1.1.34R.

Other Special Reserves

8 Deferred and Contingent Tax

In Form 53 there is a deferred tax liability of £53,597,000 in the Non Profit Fund and £115,000 in the With Profit Fund representing the amount set aside for tax on capital gains not yet realised in Form 44 in respect of internal linked funds. See sections 3 (8) and 3 (9) for details of the tax rate used to calculate the provision.

In Form 51 there is a deferred tax liability of £4,300,000 in the With Profit Fund and £900,000 in the National Mutual With Profit Fund representing the amount set aside for tax on unit trust deemed disposals and on capital gains not yet realised in respect of non-linked assets.

In Form 51 there is a deferred tax liability of £11,600,000 representing the amount set aside for tax on unit trust deemed disposals in respect of the linked and non-linked assets held within the Non Profit Fund.

Additional expenses

A reserve of £23,250,000 is held for regulatory complaints.

A reserve of £28,500,000 is held for future costs that fall outside the Management Services Agreement, including costs for future regulatory projects.

Reserves of £15,000,000 and £4,000,000 are held for future costs associated with the potential discontinuance of the Management Services Agreements held with Admin Re UK Services Limited and HCL Insurance BPO Services Limited respectively.

A reserve of £23,300,000 is held for the expected cost for migrating the policies currently reinsured from HSBC to the Admin Re administration systems.

A reserve of £1,000,000 is held for the expected cost of waiving the annual administration charge on certain DWP rebate policies.

Early retirement options

An additional reserve of £4,000,000 is held in the National Mutual Fund for the early retirement option under a number of the conventional with-profit pension policies.

ERIP CGT

An additional reserve of £21,595,000 is held for the CGT arising on the future disposal of the ERIP properties. The amount was calculated by projecting the sale proceeds from properties vacated by the tenant either on death or on moving into long term care, assuming growth in house prices, where appropriate, of 5.25% per annum. The proceeds were reduced by the indexed book value of the property projected at a rate of 3.00% p.a., before being discounted back to the valuation date. The same mortality, morbidity and interest rate assumptions were used as for the ERIP annuities.

Reinsurance

Additional reserves totalling £16,200,000 are held in respect of the credit risk to reinsurers.

ILA mismatch

An additional reserve of £45,125,000 was held for the future interest payments due on the amounts deposited back under the reinsurance treaty with Partner Re to the extent that they exceed the risk-adjusted yield on the assets in which the amounts deposited back are invested.

Reinsurance

- 9 (1) No facultative reinsurance premiums are payable to any reinsurers who are not authorised to carry on insurance business in the United Kingdom.
- 9 (2) The relevant reinsurance arrangements are detailed below.

Treaty 01

(d)	Name of reinsurer	Munich Reinsurance Company
(e)	Nature and extent of cover	The treaty gives modified original terms cover for all classes of business originally written by VML. The amount reinsured is either 50% or 90% of original sum assured dependent on product type and date of sale, plus any surplus over £100,000 per life retention.
(f)	Premiums payable during the report period	£2,886,143
(g)	Amount deposited back	There is no deposit back arrangement.
(h)	Open to New Business	No
(i)	Amount of undischarged obligations	Nil
(j)	Mathematical reserves ceded	£7,384,000
(k)	Retention for new policies	N/A

- (l) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (m) The Company and the reinsurer are not connected.
- (n) There are no material contingencies to which the treaty is subject.
- (o) No provision for refund of commissions paid by the reinsurer is necessary.

Treaty 02

(d)	Name of reinsurer	Generali Worldwide Insurance Company Limited
(e)	Nature and extent of cover	The treaty relates to annuities-in-payment. The reinsurer received a premium at outset and in return pays a proportion of the annuity outgo
(f)	Premiums payable during the report period	Nil
(g)	Amount deposited back	There is no deposit back arrangement.
(h)	Open to New Business	No
(i)	Amount of undischarged obligations	Nil
(j)	Mathematical reserves ceded	£36,944,000
(k)	Retention for new policies	N/A

- (l) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (m) The Company and the reinsurer are not connected.
- (n) There are no material contingencies to which the treaty is subject.
- (o) No provision for refund of commissions paid by the reinsurer is necessary.

Intra Group Reinsurance Treaty 4

(d)	Name of reinsurer	Swiss Reinsurance Company Limited
(e)	Nature and extent of cover	The treaty relates to annuities (other than index-linked annuities) that were transferred by Zurich Assurance Limited to Windsor Life during 2008. The reinsurer receives an annual premium from the insurer that is fixed at outset and in return pays 100% of the annuity outgo.
(f)	Premiums payable during the report period	£247,977,000
(g)	Amount deposited back	There is no deposit back arrangement.
(h)	Open to New Business	No
(i)	Amount of undischarged obligations	Nil
(j)	Mathematical reserves ceded	£321,383,000
(k)	Retention for new policies	N/A

- (l) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (m) The Company and the reinsurer are connected.
- (n) There are no material contingencies to which the treaty is subject.
- (o) No provision for refund of commissions paid by the reinsurer is necessary.

ERIP reinsurance treaty

(d)	Name of reinsurer	Hannover Re
(e)	Nature and extent of cover	The treaty relates to ERIP policies written prior to 1998. It provided finance to help meet the strains caused by writing new business. The amount advanced by the reinsurer has been repaid in full; the reinsurer is entitled to a share of the future net cashflows arising under the treaty.
(f)	Premiums payable during the report period	Nil
(g)	Amount deposited back at the valuation date	Nil
(h)	New business	The treaty is closed to new business.
(i)	Undischarged obligation	The reinsurer's share of the future net cashflows arising under the treaty is £2,624,000
(j)	Mathematical reserves ceded	Nil
(k)	Retention by the insurer for new policies	Not applicable.

- (l) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
- (m) The Company and the reinsurer are not connected.
- (n) The treaty is not subject to any material contingencies, beyond the contingent nature of the payments to the reinsurer.
- (o) No provision has been considered necessary for any liability to refund any amounts of reinsurance commission in the event of lapse or surrender of the contract.
- (p) An additional reserve is held for the reinsurer's share of the future cashflows under the treaty, as described in paragraph 8.

Standard, Smoker and Special annuity reinsurance treaty

(d)	Name of reinsurer	Hannover Re
(e)	Nature and extent of cover	The treaty relates to Standard, Smoker and Special annuities written prior to 1999. The reinsurer provides finance to help meet the strains caused by writing new business. The amounts are accumulated with interest and repaid from the reinsurer's share of future surplus. Once the debt is cleared, the reinsurer benefits from a profit share arrangement.
(f)	Premiums payable during the report period	Nil
(g)	Amount deposited back at the valuation date	Nil
(h)	New business	The treaty is closed to new business.
(i)	Undischarged obligation	The amount outstanding on the deficit account under the treaty as at the valuation date was £650,000
(j)	Mathematical reserves ceded	Nil
(k)	Retention by the insurer for new policies	Not applicable.

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

- (m) The Company and the reinsurer are not connected.
- (n) The treaty is not subject to any material contingencies, beyond the contingent nature of the payments to the reinsurer.
- (o) No provision has been considered necessary for any liability to refund any amounts of reinsurance commission in the event of lapse or surrender of the contract.
- (p) The deficit account under the treaty is repaid from the reinsurer's share of future surplus on the business reinsured. There is a requirement to repay up to 80% of the amount then outstanding at year-end 2007 or 2008 (depending on the tranche of business) from the insurer's overall surplus. An additional reserve is held to cover the repayment of the deficit account in full.

ILA and ICFP reinsurance treaty

(d)	Name of reinsurer	Partner Re
(e)	Nature and extent of cover	The treaty relates to ILA and ICFP business. The reinsurer pays 90% of the annuity outgo in return for 90% of the premium. The reserves are deposited back, the reinsurer receiving interest on them at the rate assumed in the pricing basis increased for policies written from 2002 onwards by 20 bp.
(f)	Premiums payable during the report period	£0
(g)	Amount deposited back at the valuation date	£157,914,000, of which £20,667,000 was due to the reinsurer.
(h)	New business	The treaty is open to new business.
(i)	Undischarged obligation	The insurer had no undischarged obligations under the treaty as at the valuation date.
(j)	Mathematical reserves ceded	£157,914,000
(k)	Retention by the insurer for new policies	Not applicable.

- (l) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
- (m) The Company and the reinsurer are not connected.
- (n) The treaty is not subject to any material contingencies.
- (o) No provision has been considered necessary for any liability to refund any amounts of reinsurance commission in the event of lapse or surrender of the contract.
- (p) Not applicable.

Mortality Swap 2 Intra Group Reinsurance Treaty

(d)	Name of reinsurer	Swiss Reinsurance Company Limited
(e)	Nature and extent of cover	This treaty relates to annuities in payment sourced from a longevity swap with the Royal Borough of Windsor and Maidenhead Pension Scheme, under which around 86% of the risk associated with annuity benefits is reassured. The reinsurer receives a monthly premium (less expected claims) which is then recalculated for data adjustments, escalations and actual claims applied as at 31 March each year.
(f)	Premiums payable during the report period	£44,904,000
(g)	Amount deposited back	There is no deposit back arrangement.
(h)	Open to New Business	No
(i)	Amount of undischarged obligations	Nil
(j)	Mathematical reserves ceded	-£4,391,000
(k)	Retention for new policies	N/A

- (l) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (m) The Company and the reinsurer are connected.
- (n) There are no material contingencies to which the treaty is subject.
- (o) No provision for refund of commissions paid by the reinsurer is necessary.

Mortality Swap 3 Intra Group Reinsurance Treaty

(d)	Name of reinsurer	Swiss Reinsurance Company Limited
(e)	Nature and extent of cover	This treaty relates to annuities in payment sourced from a longevity swap with the Akzo Nobel (CPS) Pension Scheme, under which 100% of the risk associated with escalating annuity benefits is reassured. The reinsurer receives a monthly premium (less expected claims) which is then recalculated for data adjustments, escalations and actual claims applied as at 31 March each year.
(f)	Premiums payable during the report period	£68,832,000
(g)	Amount deposited back	There is no deposit back arrangement.
(h)	Open to New Business	No
(i)	Amount of undischarged obligations	Nil
(j)	Mathematical reserves ceded	£49,197,000
(k)	Retention for new policies	N/A

- (l) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (m) The Company and the reinsurer are connected.
- (n) There are no material contingencies to which the treaty is subject.
- (o) No provision for refund of commissions paid by the reinsurer is necessary.

Mortality Swap 4 Intra Group Reinsurance Treaty

(d)	Name of reinsurer	Swiss Reinsurance Company Limited
(e)	Nature and extent of cover	This is a 90% quota share treaty in relation to annuities in payment and deferment sourced from a longevity swap with LV= Employee Pension Scheme. The reinsurer receives a monthly premium (less expected claims) which is then re-calculated for data adjustments, escalations and actual claims applied as at 30 June each year.
(f)	Premiums payable during the report period	£32,400,000
(g)	Amount deposited back	There is no deposit back arrangement.
(h)	Open to New Business	No
(i)	Amount of undischarged obligations	Nil
(j)	Mathematical reserves ceded	-£37,000
(k)	Retention for new policies	N/A

- (l) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (m) The Company and the reinsurer are connected.
- (n) There are no material contingencies to which the treaty is subject.
- (o) No provision for refund of commissions paid by the reinsurer is necessary.

Reversionary (or annual) bonus

- 10 For those products where the mathematical reserves exceed the lesser of £10m and 1% of the total mathematical reserves, the reversionary bonus rates (by bonus series) are summarised below.

Conventional with-profit other than ex-NMPL business

(a)	(b)	(c)	(d)	(e)
Name of Bonus Series	Mathematical Reserves (£)	Reversionary Bonus Rate % Sum Assured / % Existing Bonus		Total Guaranteed Bonus Rate 2014
		2014	2013	
Self Employed Personal Pension				
Old Series	10,362,000	1.75% / 1.75%	1.50% / 1.50%	0%
New Series	7,736,000	0.75% / 0.75%	1.00% / 1.00%	0%

With-Profit structured settlements and with-profit annuities

(a)	(b)	(c)	(d)	(e)
Name of Bonus Series	Mathematical Reserves (£)	Reversionary Bonus Rate - % Annuity Payment		Total Guaranteed Bonus Rate 2014
		2014	2013	
Structured Settlements				
Commencing prior to 1/7/2002	31,600,000	2.75%	3.25%	0%
Commencing on or after 1/7/2002 and before 1/10/2002	3,032,000	2.75%	1.50%	0%
Commencing on or after 1/10/2002	62,498,000	3.75%	4.25%	0%
With Profit Annuities				
Commencing prior to 1/7/2008	14,432,000	4.25%	4.25%	0%
Commencing on or after 1/7/2008 and prior to 1/1/2010	22,568,000	6.50%	6.50%	0%
Commencing on or after 1/1/2010 and prior to 1/12/2011	44,474,000	4.50%	4.50%	0%
Commencing on or after 1/12/2011	9,517,000	5.50%	5.50%	0%

Unitised with-profit other than ex-NMPL business

(a)	(b)	(c)	(d)	(e)
Name of Bonus Series	Mathematical Reserves (£)	Reversionary Bonus Rate - % Increase in Unit Price		Total Guaranteed Bonus Rate 2014
		2014	2013	
Personal, Flexible and Group Pensions	19,125,000	6.50%	5.19%	5%

For unitised with-profit business, the total percentage increase in unit price has been entered for each year.

Ex-NMPL business

Details of the insurer's principal bonus series are set out in the table below.

(a)	Bonus series	Pension policies except single premiums from October 1998
(b)	Amount of mathematical reserves	£293,619,000
(c)	Reversionary bonus rate for the financial year	0.10%
(d)	Reversionary bonus rate for the preceding financial year	0.10%
(e)	Total guaranteed bonus rate	Nil
(a)	Bonus series	Pension policies - single premiums from October 1998
(b)	Amount of mathematical reserves	£37,390,000
(c)	Reversionary bonus rate for the financial year	2.00%
(d)	Reversionary bonus rate for the preceding financial year	2.00%
(e)	Total guaranteed bonus rate	Nil
(a)	Bonus series	Unitised pension policies
(b)	Amount of mathematical reserves	£299,258,000
(c)	Percentage increase in the unit price during the financial year	2.00%
(d)	Percentage increase in the unit price during the preceding financial year	2.00%
(e)	Total guaranteed bonus rate	Nil

The mathematical reserves shown exclude additional reserves for items such as annuity guarantees. The reversionary bonus rate is a percentage of the guaranteed benefit including attaching bonuses. No bonus rates were declared during the current or preceding financial years in a super-compound form. The percentage increase in the unit price for unitised pension policies is before allowing for the impact made by rounding the unit price.

- 10 (4) There are no bonus series with reserves over the lesser of £10m and 1% of total mathematical reserves where reversionary bonus rates vary by age or term.

ReAssure Limited
Returns under the Accounts and Statements Rules
IPRU (INS) Appendix 9.4A

ABSTRACT OF THE VALUATION REPORT FOR REALISTIC VALUATION

Introduction

- 1 (1) The date to which the actuarial investigation relates is 31 December 2014.
- (2) The date of the previous valuation was 31 December 2013.
- (3) Not applicable.

Assets

- 2 (1) National Mutual With-Profit Fund

Not applicable. No value was ascribed to the small amount of non-profit business in the National Mutual With-Profit Fund. The entry in line 22 of Form 19 represents the LTICR held in respect of the non-profit business, this being shown at face value.

Windsor Life With-Profit Fund

The major economic assumptions used to determine the value of future profits on non-profit contracts written in the Windsor Life With-Profit Fund as at the valuation date are as follows:

	At 31.12.2014	At 31.12.2013
Investment return	Gilt yields + 10bps	Gilt yields + 10bps
Discount rate - annuities	2.73% p.a.	3.49% p.a.
Discount rate - other	Gilt yields + 10bps	Gilt yields + 10bps
RPI inflation	3.00% p.a.	3.50% p.a.
Expense inflation	4.00% p.a.	4.50% p.a.
Tax	20% on BLAGAB business	20% on BLAGAB business

- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable. The valuation of future profits in paragraph 2(1) involved only one set of economic assumptions.

With-profits benefits reserve liabilities

3 (1) National Mutual With-Profit Fund

The methods used to calculate the with-profits benefits reserve for the various types of with-profits insurance contract were as follows:

Method	Type of Contract	With-Profits Benefits Reserve (£'000's)	Future Policy-Related Liability (£'000's)
Retrospective	Life	25,130	9,652
	DPP	26,331	15,967
	GAR (1)	179,218	178,991
	GAR (2)	43,125	36,185
	TWP PEN	238,649	73,270
	UWP PEN	535,166	221,246
	Total	1,047,619	535,311

The various types of contract listed in the table are as follows:

Life	Endowment and whole life assurances with cash guarantees at maturity (for the endowments) and on earlier death
DPP	Pension contracts with a guaranteed minimum level of annuity at retirement (including section 32 policies with a GMP)
GAR	Pension contracts with a cash guarantee at retirement and a guaranteed minimum annuity rate to convert the retirement fund to pension; the two types represent different levels for the guaranteed minimum annuity rate
TWP PEN	Conventional pension contracts with a cash guarantee at retirement but no annuity guarantee
UWP PEN	Unitised pension contracts with an MVA-free period either at the originally selected retirement date under the policy or during the five-year period preceding it

Windsor Life With-Profit Fund

The methods used to calculate the with-profits benefits reserve are:

Method	Type of Contract	With-Profits Benefits Reserve (£'000's)	Future Policy-Related Liability (£'000's)
Retrospective	Individual Life	8,488	9,182
	Individual CTB	270	211
	Grouped UWP Life	1,459	605
	Grouped UWP Bond	17,234	10,990
	Individual TWP PEN	18,470	48,332
	Grouped UWP PEN	35,018	35,752
	Individual WPPA	102,781	50,147
	Individual WPSS	76,150	70,626
	Total	259,870	225,845

The various types of contracts listed in the table are as follows:

Life	Endowments and whole life assurances with cash guarantees at maturity (for the endowments) and on earlier death (excluding CTB endowments)
CTB	Endowments with cash guarantees at maturity and on earlier death with no terminal bonus
UWP Life	Unitised endowment assurance with a cash guarantee on death
UWP Bond	Unitised whole life assurance with a cash guarantee on death
TWP PEN	Conventional pension contracts with a cash guarantee and a guaranteed minimum annuity rate to convert the retirement fund to pension
UWP PEN	Unitised pension contracts with an MVA-free period at and after the originally-selected retirement date under the policy
WPPA	Pension annuities with guaranteed annuity payments
WPSS	Structured settlements with guaranteed annuity payments

(2) Windsor Life With-Profit Fund

The difference between the total future policy-related liability of £225,845,000 in the table above and the total of £656,775,000 in line 49 of Form 19 is due to financing costs of £426,630,000 and a CGT reserve of £4,300,000. The financing cost is in respect of the present value of future profits on non-profit insurance contracts written in the Windsor Life With-Profit Fund that is transferred to the Non-Profit Fund or Shareholder Fund.

With-profits benefits reserve – Retrospective method

4 (1) National Mutual With-Profit Fund

The with-profits benefits reserve was calculated on an individual policy basis by accumulating the premiums paid less an allowance for expenses at the estimated rates of investment return earned on the with-profits fund during the period the policy was in force (reduced by tax where appropriate). For some calendar years, the investment return was increased either to allow for miscellaneous items of surplus (the effect of which is shown in line 31 of Form 19) or as part of the distribution of the estate to policies (the effect of which is shown in line 32 of Form 19), or reduced to allow for expense deductions in excess of the premium rate loadings or policy charges. Allowance was also made for any policy benefits paid prior to the valuation date. For a small amount of policies within the DPP group, the retrospective method takes as a starting point a prospective reserve calculated at 31 December 2007 and accumulates this to this valuation date.

Windsor Life With-Profit Fund

The following table shows the proportions of the Windsor Life With-Profit Fund with-profits benefits reserve which have been valued on an individual basis and on a grouped basis:

Proportion valued on an individual basis	Proportion valued on a grouped basis
79.3%	20.7%

- (2) (a) For both funds, no significant changes were made to the valuation method for any types of product.
- (b) Not applicable.

(3) National Mutual With-Profit Fund

Expenses are allocated to the National Mutual With-Profit Fund by way of prescribed fees set out in the Scheme (the legal document governing the operation of the Fund entered into at the time the business of NM Pensions Limited was transferred to Reassure Limited). The fees are expressed as amounts per policy for administration costs (the amount depending on the type of policy) and percentages of assets under management for investment costs (the percentage depending on the type of asset). Fees are reduced if actual costs are lower. Commission is charged to the Fund. Certain additional items may also be allocated to the Fund.

Windsor Life With-Profit Fund

Expenses are allocated to the Windsor Life With-Profit Fund by way of a Fixed Expense Agreement. Commission is charged to the Fund. Investment-related expenses are charged as percentages of assets under management (the percentage depending on the type of asset).

(a) Not applicable.

(b) Not applicable.

(c) National Mutual With-Profit Fund

The expenses allocated to the with-profits benefits reserve are equal to estimates of the expense loadings in the premium rates for conventional policies and to the charges levied for unitised policies (including a notional investment management charge). Also included are deductions made from the investment return allocated to asset shares to meet the investment fees and other maintenance expenses of the fund.

An estimate of the total amount of expenses allocated to the with-profits benefits reserve during the financial year is shown in the table below.

Type of Expense	Conventional Contracts Based on		Unitised Contracts Based on			Total (£'000's)
	Premium	Fund	Premium	Policy	Fund	
Initial	2	-	3	-	-	5
Maintenance	118	1,729	223	68	2,454	4,592
Total	120	1,729	226	68	2,454	4,597

For conventional with-profits contracts, any difference between the fees charged to the National Mutual With-Profit Fund and the total amount allocated to the with-profits benefits reserve accrues to the estate. Unitised with-profits contracts reside in the Windsor Life With-Profit Fund, with the investment element reinsured into the National Mutual With-Profit Fund. Any difference between the fees charged for administration services and the corresponding amount allocated to the with-profits benefits reserve accrues to the Windsor Life With-Profit Fund. The difference between the fees charged for investment services and the amount allocated to the with-profits benefits reserve accrues to the estate within the National Mutual With-Profit Fund.

Windsor Life With-Profit Fund

The expenses allocated to the with-profits benefits reserve are equal to an estimate of the expenses charged to the Windsor Life With-Profit Fund for conventional policies (including a notional investment management charge) and to the charges levied for unitised policies.

An estimate of the total amount of expenses allocated to the with-profits benefits reserve during the financial year is shown in the table below.

Type of expense	Conventional contracts based on		With-Profit Annuities based on			Total £000
	Premium	Fund	Premium	Policy	Fund	
Initial	-	-	-	2	-	2
Maintenance	31	175	-	269	706	1,180
Total	31	175	-	271	706	1,182

The with-profits benefits reserve for unitised contracts is based on representative policies; the total amount of expenses allocated to the with-profits benefits reserve is not available for this business.

For with-profits contracts, any difference between the expenses charged to the Windsor Life With-Profit Fund and the total amount allocated to the with-profits benefits reserve accrues to the estate.

- (4) No charges other than those described in paragraph 4(3) were deducted from the with-profits benefits reserve during the financial year.
- (5) No charges were deducted from the with-profits benefits reserve during the financial year for non-insurance risk (beyond the expense charges described in paragraph 4(3)).
- (6) The approximate ratio for each of the three financial years preceding the valuation date of the total claims paid during the financial year on with-profits insurance contracts to the total with-profits benefits reserve for those claims (including any past miscellaneous surplus or deficit attributed to the reserve) is shown in the table below.

National Mutual With-Profit Fund	Year		
	2012	2013	2014
Ratio	97%	97%	99%

Windsor Life With-Profit Fund	Year		
	2012	2013	2014
Ratio	93%	96%	98%

(7) National Mutual With-Profit Fund

The investment return allocated to the with-profits benefits reserve in respect of the current financial year was 9.3% gross of tax.

Windsor Life With-Profit Fund

The investment returns allocated to the with-profits benefits reserve in respect of the current financial year were 6.6% for life contracts, 8.4% for pensions contracts and 13.3% for pension annuities and structured settlements; in all cases gross of tax.

Differences in returns are explained by differing allocations of assets backing asset shares. The following table shows these allocations for the current financial year.

	Annuities and structured settlements		Other contracts	
	Fixed interest	Other	Fixed interest	Other
01.01.2014 - 31.08.2014	62.0%	38.0%	51.0%	49.0%
01.09.2014 - 30.09.2014	61.5%	38.5%	50.5%	49.5%
01.10.2014 - 31.10.2014	60.5%	39.5%	49.5%	50.5%
01.11.2014 - 31.12.2014	60.0%	40.0%	45.0%	55.0%

The fixed interest assets allocated to life contracts are of shorter duration than those allocated to pension contracts.

With-profits benefits reserve – Prospective method

5 Not applicable.

Cost of guarantees, options and smoothing

6 (2)(a) A single valuation method applying to all types of product was used to calculate the cost of guarantees, options and smoothing. The method used was a stochastic Monte Carlo projection of the assets and liabilities with a risk-neutral set of economic scenarios.

(b)(i)(ii) National Mutual With-Profit Fund

The cost of guarantees, options and smoothing was calculated on a grouped basis for all contracts.

Windsor Life With-Profit Fund

The cost of guarantees, options and smoothing was calculated on a grouped basis for all contracts other than structured settlements, where an individual basis was used instead. By asset share, the proportion of contracts valued on a grouped basis is 71%.

(iii) National Mutual With-Profit Fund

Contracts were grouped by product type, year of commencement, year of maturity and premium frequency. Contracts were only grouped where they had similar values for those features likely to affect items such as the cost of guarantees (for example, there was no grouping across different generations of policy).

The number of individual contracts and the number of model points used to represent them for the various types of product are set out in the table below.

Type of Contract	Number of	
	Individual Contracts	Model Points
Life	738	322
DPP	733	502
GAR (1)	6,533	2,840
GAR (2)	2,972	1,020
TWP PEN	11,004	2,268
UWP PEN	43,191	2,251
Total	65,171	9,203

The grouping is validated periodically by testing a block of policies with material guarantees, valuing them ungrouped and grouped with a set of stochastic scenarios and comparing the results. No material differences have arisen.

Windsor Life With-Profit Fund

Contracts were grouped by product type, year of commencement, year of maturity, premium frequency, age and sex. For pension annuities, grouping was by commencement, bonus series, sex, joint-life status and age. Contracts were only grouped where they had similar values for those features likely to affect items such as the cost of guarantees (for example there was no grouping across different generations of policy).

The number of individual contracts and the number of model points used to represent them for the various types of product are set out in the table below.

Type of Contract	Number of	
	Individual Contracts	Model Points
Life ⁽¹⁾	1,333	193
CTB	9	7
UWP Bond	1,876	511
TWP PEN	1,390	891
UWP PEN	1,710	315
WPPA	7,618	1,444
Total	13,925	3,361

⁽¹⁾ Includes UWP Endowments

For pension annuities the expected annuity payments given best estimate mortality assumptions were projected using the original policy data and using the grouped data, and it was verified that the aggregate amounts in each future projection year were matched very closely.

At an earlier valuation, for each class of with-profits insurance contract that is grouped, cashflow projections were carried out on grouped and ungrouped data to verify that an acceptable level of accuracy was retained through grouping.

(3) National Mutual With-Profit Fund

There have been no significant changes to the method for valuing the costs of guarantees, options or smoothing since the previous valuation for the National Mutual With-Profit Fund.

Windsor Life With-Profit Fund

There have been no significant changes to the method for valuing the costs of guarantees, options or smoothing since the previous valuation for the Windsor Life With-Profit Fund.

(4)(a)(i) National Mutual With-Profit Fund

Cash guarantees

Cash guarantees are guaranteed minimum cash benefits applying at the maturity date of the policy (provided for conventional policies that all premiums due under the policy have been paid). For some policies, the guarantee extends over a wider period (with the guaranteed amount for conventional policies being recalculated).

The extent to which the cash guarantees for each type of product were in or out of the money at the valuation date is shown in the table below. The figures allow for early retirements where a minimum cash guarantee is available. 'Moneyiness' is defined as the ratio at maturity of the cash guarantee to the asset share

accumulated at the risk-free rate. For a description of each product type, see paragraph 3(1).

Product	Outstanding Term (years)				
	Less than 5	5 to 10	10 to 15	15 to 20	More than 20
Life	45%	41%	38%	35%	
DPP	55%	60%	58%	54%	64%
GAR(1)	52%	61%	64%	65%	63%
GAR(2)	59%	66%	68%	68%	64%
TWP PEN	57%	60%	57%	52%	44%
UWP PEN	47%	50%	48%	44%	37%

Annuity guarantees

Annuity guarantees are either a guaranteed minimum level of annuity (the DPP contract and section 32 policies with a GMP) or a guaranteed minimum annuity rate for converting the retirement fund to pension (the GAR contracts). The guarantees are generally in the money. The interest rates (payable monthly) at which current market annuity rates are estimated to equal the guaranteed rates are as follows.

Retirement Age	GAR (1)		GAR (2)	
	Males	Females	Males	Females
60	7.3%	6.1%	6.3%	5.1%
65	8.1%	6.4%	6.8%	5.3%
70	9.1%	6.7%	7.3%	5.5%
75	10.1%	7.0%	7.8%	5.5%

Due to projected improvements in annuitant mortality, the interest rates in the above table increase with the outstanding term to retirement. The following table sets out examples of how the interest rate at age 65 changes with the calendar year of retirement.

65 attained	GAR (1)		GAR (2)	
	Males	Females	Males	Females
2014	8.1%	6.4%	6.8%	5.3%
2034	8.4%	6.7%	7.1%	5.7%
2054	8.7%	7.0%	7.4%	6.0%

Smoothing

Smoothing acts so as to spread across a series of final bonus declarations the impact on pay-outs of a sharp change in underlying asset shares due to investment returns. The cost of smoothing has been set to a minimum of zero.

Windsor Life With-Profit Fund

The following types of guarantees, options and smoothing have been valued using a full stochastic approach.

Maturity guarantees

These take the form of a minimum amount of benefit, including the addition of annual bonuses, which is guaranteed to be payable at the maturity of the

contract. In some cases the minimum amount of benefit may be expressed in the form of a guaranteed amount of annuity benefit.

The extent to which the maturity guarantees for each type of product were in or out of the money at the valuation date is shown in the table below. 'Moneyiness' is defined as the ratio at maturity of the cash guarantee to the asset share accumulated at the risk-free rate.

Product	Outstanding Term (years)				
	Less than 5	5 to 10	10 to 15	15 to 20	More than 20
Life	50%	67%	71%	74%	
CTB	93%	114%			
TWP PEN	63%	88%	96%	108%	110%
UWP PEN	70%	84%	96%	107%	120%

Annuity guarantees

Annuity guarantees are a guaranteed minimum annuity rate for converting the retirement fund to pension. The guarantees are generally in the money. The interest rates (payable monthly) at which current market annuity rates are estimated to equal the guaranteed rates are as follows.

Retirement Age	Males	Females
60	9.0%	7.9%
65	9.9%	8.5%
70	11.0%	9.1%
75	12.1%	9.8%

Due to projected improvements in annuitant mortality, the interest rates in the above table increase with the outstanding term to retirement. The following table sets out examples of how the interest rates at age 65 changes with the calendar year of retirement.

65 attained	Males	Females
2014	9.9%	8.5%
2034	10.1%	8.7%
2054	10.4%	9.0%

Smoothing

Smoothing acts so as to spread across a series of final bonus declarations the impact on pay-outs of a sharp change in underlying asset shares due to investment returns. The cost of smoothing has been set to a minimum of zero.

- (ii) The asset model uses a multi-factor forward rate model derived from the Libor Market Model to generate short-term interest rates. The model was calibrated to market-implied volatilities on swaptions with a range of option terms and moneyiness. Other returns are related to the interest rate. The following table sets out a sample of market-implied volatilities used in the calibration. These examples relate to 20-year swaps.

Option term, years	1	5	10	15
Implied volatilities p.a.	32.6%	27.9%	25.2%	23.7%

Equity and property returns use a single-factor model to generate returns in excess of interest rates. For equities, the excess has a stochastic volatility and the model is calibrated to match market-implied volatilities over a range of option terms and strike prices. For properties, the model assumes an excess return of constant volatility calibrated to match an estimated historic volatility of 13.1% p.a..

The model was calibrated to target output correlations based on historic data. The correlations achieved for the economic scenarios used in the valuation are shown in the table below. The upper half of the table shows initial correlations; the lower half shows long-term correlations.

	Equity	Property	Government Bonds	Corporate Bonds
Equity		0.34	0.16	0.19
Property	0.37		0.11	0.13
Government bonds	0.17	0.12		0.95
Corporate bonds	0.21	0.14	0.93	

Notes

1. Bonds are 15-year zero-coupon, the corporate bonds being AA-rated
2. Correlations are for annual returns in excess of the risk-free rate

- (iii) The risk-free rate for specimen durations and the value derived from the asset model of specimen assets and options are shown in the tables below.

	Duration	K=0.75			
		5	15	25	35
	Annualised compound equivalent of the risk free rate assumed for the period	1.30%	2.33%	2.75%	2.73%
1	Risk-Free Zero Coupon Bond	937,234	707,415	507,621	389,118
2	FTSE All Share Index (p=1)	82,768	208,467	309,564	395,243
3	FTSE All Share Index (p=0.8)	79,644	183,749	253,347	307,610
4	Property (p=1)	20,231	87,483	158,971	231,166
5	Property (p=0.8)	18,478	68,840	113,285	158,876
6	15yr Risk-Free ZCBs (p=1)	15,520	18,897	17,981	32,786
7	15yr Risk-Free ZCBs (p=0.8)	14,200	12,522	7,432	10,148
8	15yr Corporate Bonds (p=1)	19,135	29,166	36,724	56,152
9	15yr Corporate Bonds (p=0.8)	17,580	20,267	18,843	24,192
10	Portfolio 65/35/0/0 (p=1)	44,351	139,202	226,121	305,793
11	Portfolio 65/35/0/0 (p=0.8)	41,961	118,494	176,892	228,075
12	Portfolio 65/0/35/0 (p=1)	39,197	116,396	191,558	264,746
13	Portfolio 65/0/35/0 (p=0.8)	37,052	97,950	147,295	193,436
14	Portfolio 40/15/22.5/22.5 (p=1)	18,476	64,253	119,364	180,675
15	Portfolio 40/15/22.5/22.5 (p=0.8)	17,035	50,779	83,701	121,932
		L=15			
16	Sterling Receiver Swaptions	25.19%	19.25%	17.16%	14.98%

		K=1			
	Duration	5	15	25	35
	Annualised compound equivalent of the risk free rate assumed for the period	x	x	x	x
1	Risk-Free Zero Coupon Bond	x	x	x	x
2	FTSE All Share Index (p=1)	186,604	347,964	472,868	577,054
3	FTSE All Share Index (p=0.8)	180,252	308,651	388,438	451,723
4	Property (p=1)	113,491	215,140	307,691	395,761
5	Property (p=0.8)	106,376	176,215	228,589	280,446
6	15yr Risk-Free ZCBs (p=1)	93,144	95,308	100,518	139,626
7	15yr Risk-Free ZCBs (p=0.8)	86,794	66,692	46,879	57,604
8	15yr Corporate Bonds (p=1)	101,067	115,552	131,023	168,834
9	15yr Corporate Bonds (p=0.8)	94,626	85,317	74,495	84,685
10	Portfolio 65/35/0/0 (p=1)	138,783	266,632	376,963	474,336
11	Portfolio 65/35/0/0 (p=0.8)	132,407	229,232	298,112	357,342
12	Portfolio 65/0/35/0 (p=1)	128,030	234,954	330,950	422,137
13	Portfolio 65/0/35/0 (p=0.8)	121,809	199,479	257,124	312,422
14	Portfolio 40/15/22.5/22.5 (p=1)	96,303	166,893	242,802	324,173
15	Portfolio 40/15/22.5/22.5 (p=0.8)	89,947	134,088	175,581	222,511
L=20					
16	Sterling Receiver Swaptions	30.25%	24.78%	21.73%	18.62%

		K=1.5			
	Duration	5	15	25	35
	Annualised compound equivalent of the risk free rate assumed for the period	x	x	x	x
1	Risk-Free Zero Coupon Bond	x	x	x	x
2	FTSE All Share Index (p=1)	577,054	530,442	695,071	845,378
3	FTSE All Share Index (p=0.8)	451,723	514,078	620,242	699,167
4	Property (p=1)	395,761	514,879	587,285	686,330
5	Property (p=0.8)	280,446	496,872	504,637	533,916
6	15yr Risk-Free ZCBs (p=1)	139,626	502,133	499,538	509,846
7	15yr Risk-Free ZCBs (p=0.8)	57,604	483,334	403,202	333,523
8	15yr Corporate Bonds (p=1)	168,834	502,573	501,634	516,377
9	15yr Corporate Bonds (p=0.8)	84,685	484,045	408,977	349,002
10	Portfolio 65/35/0/0 (p=1)	474,336	513,141	616,024	740,810
11	Portfolio 65/35/0/0 (p=0.8)	357,342	495,334	538,185	595,658
12	Portfolio 65/0/35/0 (p=1)	422,137	506,515	579,160	685,352
13	Portfolio 65/0/35/0 (p=0.8)	312,422	488,146	501,285	541,989
14	Portfolio 40/15/22.5/22.5 (p=1)	324,173	502,506	528,795	600,896
15	Portfolio 40/15/22.5/22.5 (p=0.8)	222,511	483,617	444,106	452,288
L=25					
16	Sterling Receiver Swaptions	35.53%	29.93%	25.70%	21.63%

Notes

1. The asset model values swaptions where the payments are annual. In deriving the swaption prices above, an approximate method to allow for monthly payments has been used to adjust the model output.
2. The asset model produces asset returns in half-yearly steps. For lines 10 to 15 of the table, asset rebalancing is therefore assumed to occur every six months.

- (iv) For the United Kingdom, the initial equity yield was assumed to be 3.6% and the initial property rental yield 4.4%.
- (v) There are no significant territories other than the United Kingdom.
- (vi) The distribution of guarantees by outstanding term is set out in the tables below.

National Mutual With-Profit Fund

Percentage of policies	Outstanding term to maturity	
	Less than 5 years	Less than 20 years
Life	58%	96%
DPP	67%	100%
GAR(1)	59%	99%
GAR(2)	42%	95%
TWP Pen	48%	96%
UWP	31%	85%

Windsor Life With-Profit Fund

Percentage of policies	Outstanding term			
	Guarantees on Death, Surrender and Maturity		Annuity Guarantees	
	Less than 5 years	Less than 20 years	Less than 5 years	Less than 20 years
Life	<1%	100%		
CTB	23%	100%		
TWP PEN	32%	99%	66%	100%
UWP Bond	1%	63%		
UWP PEN	<1%	73%		

Percentage of policies	Outstanding term			
	Guarantees on annuity payments			
	Less than 20 years	Less than 40 years	Less than 60 years	Less than 80 years
WPPA	6%	84%	100%	
WPSS	3%	39%		100%

The asset model was calibrated as far as possible to reproduce the price of options typical of the range shown for the guarantees in the table, with attention given to terms up to ten years.

The asset model output was used to calculate the prices of in-the-money swaptions for comparison with corresponding market prices. Particular attention was paid to swaptions with a strike rate similar in moneyness to a significant proportion of the annuity guarantees.

The following tables compare data observed or inferred from the market with values output by the asset model, for options of a nature similar to that of the most significant guarantees underlying the with-profits funds.

Implied volatilities on put options on the FTSE100 total return index				
Moneyness	Option term (years)			
	1	5	10	15
Market implied volatilities				
70%	26.7%	23.8%	24.0%	24.9%
80%	23.2%	22.0%	22.7%	24.0%
90%	19.8%	20.4%	21.4%	23.1%
100%	16.7%	18.9%	20.3%	22.3%
110%	14.3%	17.6%	19.3%	21.6%
120%	13.0%	16.5%	18.3%	20.9%
Model implied volatilities				
70%	26.0%	23.7%	23.5%	24.4%
80%	22.8%	22.8%	22.9%	23.9%
90%	19.7%	21.9%	22.2%	23.5%
100%	17.2%	20.9%	21.6%	23.0%
110%	15.2%	19.9%	21.0%	22.6%
120%	13.6%	19.0%	20.4%	22.2%

'Moneyness' is defined as the ratio of the strike price to the price of the equity portfolio rolled up to maturity at the risk-free rate

Swaption prices, 20 year annual swaps				
Strike rate	Option term (years)			
	1	5	10	15
Market prices				
5%	36.9%	27.3%	25.2%	24.3%
6%	52.7%	41.3%	35.7%	33.6%
8%	84.2%	69.4%	57.9%	52.9%
10%	115.7%	97.5%	81.9%	72.7%
Model prices				
5%	37.0%	29.6%	26.8%	24.7%
6%	52.7%	42.3%	37.0%	33.4%
8%	84.2%	69.5%	59.3%	52.5%
10%	115.7%	97.4%	82.8%	72.6%

Prices are a percentage of the nominal.

- (vii) A unit of asset, invested in proportions representative of the with-profit funds, was projected to each future year and its price estimated using the asset model. This was verified to recover the unit price in each case to within an accuracy of 1% for all terms up to 37 years and to 2% for all terms up to 40 years.

(viii) National Mutual With-Profit Fund

A total of 4,000 projections were carried out. Statistical analysis was applied to the results from the asset model to ensure that there was an acceptable confidence interval for any sampling error. The estimated 95% confidence interval was 3.7% for the cash guarantees and 0.6% for the annuity guarantees. These equate to a confidence interval in monetary terms for the two guarantees combined of around £1,200,000.

Windsor Life With-Profit Fund

A total of 4,000 projections were carried out. Statistical analysis was applied to the results from the asset model to ensure that there was an acceptable confidence interval for any sampling error. The estimated 95% confidence interval was 2.5% for the cash guarantees and 0.3% for the annuity guarantees. These equate to a confidence interval in monetary terms for the two guarantees combined of around £660,000.

- (b) No costs of guarantees, options and smoothing were valued using the market costs of hedging.
- (c) No costs of guarantees, options and smoothing were valued using a series of deterministic projections with attributed probabilities.

(5)(a) National Mutual With-Profit Fund

The initial asset mix of the with-profits fund was set to the distribution assumed to apply to asset shares under the investment strategy at the valuation date, and then rebalanced annually to this distribution.

An active approach was assumed regarding the use of a market value reduction factor, so that the amount payable on surrender was always equal to the unsmoothed asset share underlying the policy (provided that the policy conditions permitted the use of such a factor at the point of surrender).

No other management actions were assumed when projecting the assets and liabilities to determine the cost of guarantees, options and smoothing, other than to vary pay-outs at maturity so as to reflect the investment return being earned on the with-profits fund (subject to smoothing). Annual bonus rates were assumed to continue at the levels prevailing at the valuation date (prior to any changes made at the bonus declaration for 2014). Final bonus rates are projected to vary subject to current target payout and smoothing rules.

Windsor Life With-Profit Fund

The asset mix of the with-profits fund was set initially to the distribution assumed to apply to asset shares under the investment strategy at the valuation date, and then rebalanced annually to this distribution.

Projection of the liabilities includes the setting of future bonus rates. A dynamic supportable reversionary bonus rate was modelled for each bonus series using bonus reserve valuation calculations with allowance for target rates of final bonus (for those products that receive final bonus). The actual reversionary bonus rate was smoothed based on the supportable rate and the current rate.

Maturity benefits were expressed as the with-profits benefits reserve subject to a minimum of guaranteed benefits.

An active approach was assumed regarding the use of a market value reduction factor, so that the amount paid on surrender was always equal to the with-profits benefits reserve underlying the policy (provided the policy conditions permitted the use of such a factor at the point of surrender).

(b) National Mutual With-Profit Fund

Other than to the extent set out in paragraph 6(5)(a), the asset mix was not assumed to alter dynamically in the projection, so that at the start of each projection year, 42% of assets backing the with-profits benefits reserves are assumed to be equities.

The level of annual bonus was assumed not to alter throughout all projections.

Windsor Life With-Profit Fund

Other than to the extent set out in paragraph 6(5)(a), the asset mix was not assumed to alter dynamically in the projection, so that at the start of each projection year, the proportions of assets backing the with-profits benefits reserves assumed to be equities are: 24% for annuities and structured settlements, 39% for other contracts.

The following tables show best estimates of the future bonus rates on significant accumulating with-profits business on the following specified bases for the assumed annual investment return on all assets:

Scenario (i) – based on forward rates derived from the risk free interest rate curve

Scenario (ii) – based on forward rates plus 17.5% of the long-term gilt yield

Scenario (iii) – based on forward rates less 17.5% of the long-term gilt yield

Reversionary bonus rates	Current financial year	After 5 years	After 10 years
Scenario (i)			
UWP Bond	6.53%	4.00%	3.00%
UWP PEN*	1.75%	0.13%	0.00%
Scenario (ii)			
UWP Bond	6.53%	4.00%	3.25%
UWP PEN*	1.75%	0.13%	0.00%
Scenario (iii)			
UWP Bond	6.53%	3.75%	2.75%
UWP PEN*	1.75%	0.13%	0.00%

* Reversionary bonus is in addition to guaranteed annual increments added on policies.

(6) National Mutual With-Profit Fund

The following principal persistency and take-up assumptions were used to determine the cost of guarantees, options and smoothing.

Surrender and paid-up rates (p.a.)

Product		Average surrender / paid-up rate for the policy years			
		1-5	6-10	11-15	16-20
CWP savings endowment	surrender	4.0%	4.0%	4.0%	4.0%
CWP target cash endowment	surrender	4.0%	4.0%	4.0%	4.0%
CWP pension regular premium	PUP	3.1%	3.1%	3.1%	3.1%
CWP pension regular premium	surrender	2.4%	2.4%	2.4%	2.4%
CWP pension single premium	surrender	3.9%	3.9%	3.9%	3.9%
UWP indiv pension regular premium	PUP	6.3%	6.3%	6.3%	6.3%
UWP indiv pension regular premium	surrender	4.8%	4.8%	4.8%	4.8%
UWP indiv pension single premium	surrender	3.1%	3.1%	3.1%	3.1%

Retirement rates (p.a.)

S226	
Age	Rate
60	13%
61 to 62	9%
63	14%
64	25%
65	23%
66	12%
67 to 70	9%
71 to 72	7%
73	30%
74	65%
75	100%

Conventional Corporate Pensions	
Year	Rate
SRA -5 to -2	5%
SRA -1	15%
SRA	100%

Conventional Personal Harvesters with GAR	
Year	Rate
SRA -5	7%
SRA -4	8%
SRA -3 to -2	4%
SRA -1	22%
SRA	37%
SRA +1 +	21%

Conventional Personal Harvesters without GAR	
Year	Rate
SRA -5 to -4	10%
SRA -3 to -2	8%
SRA -1	25%
SRA	45%
SRA +1	25%
SRA +2 +	50%

Unitised Corporate Pensions	
Year	Rate
SRA -5 to -3	10%
SRA -2 to -1	15%
SRA	55%
SRA +1	35%
SRA +2	20%
SRA +3	15%
SRA +4	20%
SRA +5 +	30%

Unitised Personal Pensions	
Year	Rate
SRA -5 to -1	5%
SRA	35%
SRA +1 to +2	15%
SRA +3 to +4	10%
SRA +5 +	30%

SRA = selected retirement age

For section 32 policies with GMP, all policies are assumed to mature on reaching state pension age, with no early retirements.

Annuity guarantee take-up rates

The take-up rate of annuity guarantees was linked dynamically to the market value of the guarantee in each stochastic projection. Take-up is assumed to have two components:

- rate A, the proportion of policyholders at retirement taking benefits under the policy (rather than transferring elsewhere); and
- (where retirement benefits are taken) rate B, the proportion of the fund applied to purchase an annuity (instead of being taken as a cash lump sum).

Ratio of guaranteed annuity to market annuity	A
Below 111%	55%
Above 150%	90%

Between the two limits set out in the table above, A is assumed to vary linearly with the ratio described. Rate B is fixed at 80%.

For Corporate Pensions A is fixed at 95% and B is fixed at 85%.

For section 32 policies with a GMP, A and B are fixed at 100%.

Annuitant mortality

For the purposes of calculating the cost of the annuity guarantees, males and female lives were valued using a unisex set of rates. The unisex rates are equivalent to assuming a 50:50 male:female split with mortality of 111% PNMA00 for males and 83% PNFA00 for females. Rates were projected using the CMI 2011 model, converging to a long term improvement rate of 1.25% for males and females.

Windsor Life With-Profit Fund

Surrender and paid-up rates (p.a.)

Product		Average surrender / paid-up rate for the policy year			
		1-5	6-10	11-15	16-20
CWP savings endowment	surrender	3.00%	3.00%	3.00%	3.00%
CWP target cash endowment	surrender	3.00%	3.00%	3.00%	3.00%
UWP savings endowment	surrender	3.00%	3.00%	3.00%	3.00%
UWP target cash endowment	surrender	3.00%	3.00%	3.00%	3.00%
UWP Bond	surrender	4.00%	4.00%	4.00%	4.00%
UWP bond	Automatic withdrawals	100% of current			
CWP pension regular premium	PUP	0.00%	0.00%	0.00%	0.00%
CWP pension regular premium	surrender	1.50%	1.50%	1.50%	1.50%
CWP pension single premium	surrender	1.50%	1.50%	1.50%	1.50%
UWP pension regular premium	PUP	0.00%	0.00%	0.00%	0.00%
UWP pension regular premium	surrender	1.75%	1.75%	1.75%	1.75%
UWP pension single premium	surrender	2.70%	2.70%	2.70%	2.70%

Retirement rates (p.a.)

UWP Pensions	
Age	Rate
55-59	4%
60	28%
61 - 64	10%
65	58%
66 - 69	30%
70	58%
71 - 74	30%
75	100%

CWP Pensions	
Age	Rate
SRA -10	20%
SRA -9 to -7	10%
SRA -6	15%
SRA -5	45%
SRA -4	25%
SRA -3 to -2	10%
SRA -1	45%
SRA	100%

Annuity guarantee take-up rates

80% for all time periods.

Annuitant mortality

For the purposes of calculating the cost of the annuity guarantees, males and female lives were valued using a unisex set of rates. The unisex rates are equivalent to assuming a 50:50 male:female split with mortality of 111% PNMA00 for males and 83% PNFA00 for females. Rates were projected using the CMI 2011 model, converging to a long term improvement rate of 1.25% for males and females.

(7) National Mutual With-Profit Fund

For details of policyholder actions in connection with annuity guarantees, see paragraph 6(6).

Windsor Life With-Profit Fund

Conventional with-profits pensions are assumed to mature once they reach maturity date. For unitised with-profits pensions, allowance is made for early retirements from age 55 as shown in the table above, with a no-MVR guarantee applied from age 60.

Financing costs

7 National Mutual With-Profit Fund

Not applicable.

Windsor Life With-Profit Fund

Before 2012, the Windsor Life With-Profit Fund received a fixed proportion of each surplus arising from the non-profit business in the Fund (a small amount of non-profit business was excluded from this arrangement) and transferred the remainder to the Non-Profit Fund or Shareholder Fund. With effect from 1 January 2012, this fixed proportion was internally reinsured to the Non-Profit Fund. Therefore, the entirety of all such surpluses in the future will be transferred out of the Fund. The present value as at the valuation date of these future surpluses on the non-profit business in the Fund that is transferred to the Non-Profit Fund or the Shareholder Fund is £426,630,000.

Other long-term insurance liabilities

8 National Mutual With-Profit Fund

No items are included in line 46 of Form 19 ('any other liabilities relating to treating customers fairly'). Line 47 of Form 19 ('any other long term insurance liabilities') shows the discounted value of the expenses projected to be charged to the National Mutual With-Profit Fund in excess of the amount allocated to the with-profits benefits reserve, if positive.

Windsor Life With-Profit Fund

No items are included in line 46 of Form 19 ('any other liabilities relating to treating customers fairly'). Line 47 of Form 19 ('any other long term insurance liabilities') shows: an allowance for future investment expenses and tax on the assets backing the guarantees; an allowance for future capital gains tax; and the value of transfers to shareholders arising from the uplift to future bonuses required to distribute the planned enhancements shown in Line 34.

Realistic current liabilities

9 National Mutual With-Profit Fund

The realistic current liabilities are £13,218,000. These represent the same items held at the same value as the regulatory current liabilities.

Windsor Life With-Profit Fund

The realistic current liabilities are £59,465,000. These represent the same items held at the same value as the regulatory current liabilities.

Risk capital margin

10 (a) National Mutual With-Profit Fund

No risk capital margin was required as at the valuation date.

Windsor Life With-Profit Fund

No risk capital margin was required as at the valuation date.

(i) National Mutual With-Profit Fund

A change of 20.0% was assumed in equity values and 12.5% in property values. In both cases, a rise in values was the more onerous assumption. There are no significant territories other than the United Kingdom.

Windsor Life With-Profit Fund

A change of 20.0% was assumed in equity values and 12.5% in property values. A rise in equity values and a fall in property values was the more onerous assumption. There are no significant territories other than the United Kingdom.

- (ii) A nominal change of 38 bp was assumed in fixed interest yields. This represents a change of 17.5% in the long term gilt yield of 2.19% p.a. For both funds, a fall in yields was the more onerous assumption. There are no significant territories other than the United Kingdom.

(iii) National Mutual With-Profit Fund

For the corporate bond portfolio, excluding exempt bonds, an average rise of 98 bp in spreads resulted from applying the credit risk scenario in the National Mutual With-Profit Fund. This produced a fall in asset values of 6.5%.

Windsor Life With-Profit Fund

For the corporate bond portfolio, excluding exempt bonds, an average rise of 86 bp in spreads resulted from applying the credit risk scenario in the Windsor Life With-Profit Fund. This produced a fall in asset values of 6.3%.

There are no other significant credit exposures falling within the scope of this paragraph.

(iv) National Mutual With-Profit Fund

The effect of the persistency risk scenario assuming that the market and credit risk stresses have occurred was to increase the realistic value of the liabilities (excluding planned enhancements to the with-profits benefits reserves) by 0.1%.

Windsor Life With-Profit Fund

The effect of the persistency risk scenario assuming that the market and credit risk stresses have occurred was to increase the realistic value of the liabilities (excluding planned enhancements to the with-profits benefits reserves) by 0.2%.

- (v) Not applicable.

(b)(i) National Mutual With-Profit Fund

No additional management actions were assumed in the risk capital margin calculation, nor were any material changes made to other assumptions. However, the level of the planned enhancements to the with-profits benefits reserve was adjusted so as to offset the impact of the stress.

The Fund is closed to new business (apart from a small number of increases to existing policies) and is being run with the aim of distributing the estate to policies gradually over the remaining term of the in force business. Because of this, the excess of the realistic value of the assets of the Fund over the realistic value of the liabilities was added back to the realistic liabilities as planned enhancements to the with-profits benefits reserve, reducing the working capital of the Fund to zero. Whilst there is an obligation to distribute the entire estate to policies over the remaining term of the in force business, the amount payable to any individual policy or group of policies is not subject to a minimum level.

Windsor Life With-Profit Fund

No additional management actions were assumed in the risk capital margin calculation, nor were any material changes made to other assumptions. However, the level of the planned enhancements to the with-profits benefits reserve was adjusted so as to offset the impact of the stress.

The Fund is closed to new business and is being run with the aim of distributing the estate to policies gradually over the remaining term of the in force business. Because of this, the excess of the realistic value of the assets of the Fund over the realistic value of the liabilities was added back to the realistic liabilities (90% entered as planned enhancements to the with-profits benefits reserve, 10% attributable to future transfers to shareholders and added to the entry for other liabilities), reducing the working capital of the Fund to zero. Whilst there is an obligation to distribute the entire estate to policies over the remaining term of the in force business, the amount payable to any individual policy or group of policies is not subject to a minimum level.

- (ii) Not applicable.

- (iii) Not applicable.

- (iv) Not applicable.

(c)(i) National Mutual With-Profit Fund

Not applicable. The risk capital margin for the Fund was zero.

Windsor Life With-Profit Fund

Not applicable. The risk capital margin for the Fund was zero.

- (ii) Not applicable.

Tax

- 11 The investment return used to calculate the with-profits benefits reserve for BLAGAB business for both with-profit funds was reduced to allow for tax on both investment income and capital gains, applying in the calendar year in question. For BLAGAB business a tax rate of 20% was applied. On capital gains, the rate was reduced to 15% to make an approximate allowance for indexation relief.

The allowance for current tax liabilities in the realistic current liabilities was set to its value in the regulatory liabilities.

Derivatives

- 12 Not applicable. No material derivatives were held in either fund.

Analysis of change in working capital

- 13 National Mutual With-Profit Fund

For the reasons set out in paragraph 10(b) above, line 68 of Form 19 (working capital for the fund) is set equal to zero. The estate within the National Mutual With-Profit Fund as at the valuation date is therefore taken to be the entry shown in line 34 of Form 19 (planned enhancements to the with-profits benefits reserve). The following table analyses the movement in the estate during the financial year.

	£000
Estate at 31.12.2013	151,550
Investment return on estate	26,200
Changes to annuitant mortality basis	3,000
Changes to take-up assumptions for annuity guarantees	30,400
Mismatch profit on guarantees	(53,800)
Impact of net discontinuances	5,100
Enhancement of asset shares	(1,000)
Correction to asset shares	(200)
Correction for premiums overpaid in prior years	(5,400)
Charges in excess of expenses	(800)
Strain arising on non-profit business	(5,200)
Rounding	(91)
Estate at 31.12.2014	149,759

Windsor Life With-Profit Fund

For the reasons set out in paragraph 10(b) above, line 68 of Form 19 (working capital for the fund) is set equal to zero. The estate within the fund as at the valuation date is therefore taken to be the entry shown in line 34 of Form 19 (planned enhancements to the with-profits benefits reserve) plus an amount in line 47 in respect of future enhancement to shareholder transfers (equal to one-ninth of the amount in line 34). The following table analyses the movement in the estate during the financial year.

	£000
Estate at 31.12.2013	57,200
Investment return on estate	6,400
Changes to model for valuation of guarantees	15,000
Correction for claims in prior years	600
Mismatch profit on guarantees	(9,700)
Enhancement of asset shares	(18,400)
Impact of net discontinuances	4,400
Net tax liability falling on estate	(2,000)
Change in reserve for future expenses	4,100
Transfer to shareholder fund	(300)
Corrections to policy data	3,800
Strain arising on non-profit business	(3,800)
Changes to asset share model	900
Rounding	136
Estate at 31.12.2014	58,336

Optional disclosure

14 Not applicable.

Returns under the Accounts and Statement Rules

Certificate required by Rule 9.34(a) of IPRU (INS)

Name of Insurer : ReAssure Limited

Global Business

Financial Year Ended : 31 December 2014

We certify that:

- a) the return has been properly prepared in accordance with the requirements in IPRU (INS), GENPRU and INSPRU;
- b) we are satisfied that:
 - i. throughout the financial year, the insurer has complied in all material respects with the requirements in SYSC as well as the provisions of IPRU(INS), GENPRU and INSPRU, and
 - ii. from the beginning of financial year in question until 18 June 2014, the insurer has complied in all material respects with the requirements of PRIN;
 - iii. from 19 June 2014 until the end of the financial year in question, the insurer has complied in all material respects with the Fundamental Rules; and
 - iv. it is reasonable to believe that the insurer has continued so to comply subsequently with the requirements of SYSC, the Fundamental Rules and the provisions of IPRU(INS), GENPRU and INSPRU and will continue so to comply in future;
- c) in our opinion premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
- d) the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;
- e) the with-profits fund has been managed in accordance with the Principles and Practices of Financial Management, as established, maintained and recorded under COBS 20.3. The firm has managed its capital for the non profit fund in accordance with the capital management policy described in Paragraph 2.4 of the Independent Expert's second supplementary report dated 8 February 2008 in the transfer of annuities from Zurich Assurance Limited under The High Court of Justice Chancery Division Companies Court case number 6985 of 2007, in 2013; and

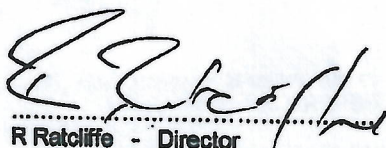
- f) we have, in preparing the return, taken and paid due regard to –
- a. advice from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R; and
 - b. advice from every actuary appointed by the insurer to perform the with-profits actuary function in accordance with SUP 4.3.16AR of the FCA Handbook and SUP 4.3.16R of the PRA Handbook.



M Cuhls - Chief Executive Officer



M Woodcock - Director



R Ratcliffe - Director

26 March 2015
Windsor House, Telford Centre, Tf3 4NB

Auditors' report: Regulatory Return for a composite insurance company

ReAssure Limited

Global business

Financial year ended 31 December 2014

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

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to 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 Prudential Regulation Authority under section 137G of the Financial Services and Markets Act 2000:

- Forms 1 to 3, 11 to 16, 18 to 23, 31, 40 to 45, 48, 49, 56, 58 and 60, (including the supplementary notes) on pages 1 to 151 ('the Forms');
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 and 9.29 on pages 152 and 153 ('the statements'); and
- the valuation reports required by IPRU(INS) rule 9.31 on pages 155 to 228 ('the valuation reports').

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

- Forms 46, 47, 50 to 55, 57, 59A and 59B (including the supplementary notes) on pages 71 to 74, 83 to 131, 133 to 135 and 140 to 143;
- the statements required by IPRU(INS) rules 9.30, 9.32, and 9.36 on pages 154, 152 and 229; and
- the certificate required by IPRU(INS) rule 9.34(1) on pages 230 and 231.

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms, the statements and the valuation reports) under the provisions of the Rules. The requirements of the Rules have been modified by directions treated as being issued under section 138, 138A and 148 of the Financial Services and Markets Act 2000 on 15 December 2014, 1 November 2013, 14 May 2013, 30 April 2013, 24 December 2012 and 10 December 2012. Under IPRU(INS) rule 9.11 the Forms, the statements and the valuation reports 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. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation reports are required to reflect appropriately the requirements of INSPRU 1.2 and 1.3.

It is our responsibility to form an independent opinion as to whether the Forms, the statements and the valuation reports meet these requirements, and to report our opinion to you. We also report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Forms, the statements and the valuation reports are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

This report has been prepared for the directors of the insurer to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

The maintenance and integrity of the ReAssure Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the insurance annual return since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of insurance annual returns may differ from legislation in other jurisdictions.

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, the statements and the valuation reports. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the statements and the valuation reports.

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

In accordance with IPRU(INS) rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be examined under IPRU(INS) rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to IPRU(INS) rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

Opinion

In our opinion:

(i) the Forms, the statements and the valuation reports fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and

(ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation reports appropriately reflect the requirements of INSPRU 1.2 and 1.3.



PricewaterhouseCoopers LLP
Chartered Accountants
London
26 March 2015