NORWICH UNION
an AVIVA company

CGNU Life Assurance Limited

Registered office: 2 Rougier Street, York, YO90 1UU

Annual FSA Insurance Returns for the year ended 31st December 2002

Accounts and statements pursuant to the
Financial Services and Markets Act 2000

FN 02 001

Returns under the Accounts and Statements Rules

Index to Appendices 9.1, 9.3, 9.4 and 9.6 of IPRU (INS)

Name of insurer **CGNU Life Assurance Limited**

Global Business

Financial year ended **31st December 2002**

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Returns under the Accounts and Statements Rules

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Name of insurer **CGNU Life Assurance Limited**

Global Business

Financial year ended **31st December 2002**

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Returns under the Accounts and Statements Rules

Covering page to form 9

Name of insurer	**CGNU Life Assurance Limited**
Global business	
Financial year ended	**31st December 2002**

..... **GN WITHERS**
Chief Executive

..... **J A NEWMAN**
Director

..... **M N URMSTON**
Director

26th March 2003

Statement of solvency

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R9	226742	GL	31	12	2002	£000

		As at the end of this financial year 1	As at the end of the previous year 2	Source Form	Line	Column
GENERAL INSURANCE BUSINESS						
Available assets						
Other than long term insurance business assets allocated towards general insurance business required minimum margin	11			See instructions 1 and 2		
Required minimum margin						
Required minimum margin for general insurance business	12			12	.	49
Excess (deficiency) of available assets over the required minimum margin (11-12)	13					
LONG TERM INSURANCE BUSINESS						
Available assets						
Long term insurance business admissible assets	21	10802763	11166625	10	.	11
Other than long term insurance business assets allocated towards long term insurance business required minimum margin	22	30267	88596	See instructions 1 and 3		
Total mathematical reserves (after distribution of surplus)	23	9497972	9458780	See instruction 4		
Other insurance and non-insurance liabilities	24	436671	489582	See instruction 5		
Available assets for long term insurance business required minimum margin (21+22-23-24)	25	898387	1306859			
Implicit Items admitted under Rule 2.10(5) as modified						
Future profits	31	572721	565442			
Zillmerising	32					
Hidden reserves	33					
Total of available assets and implicit items (25+31+32+33)	34	1471108	1872301			
Required minimum margin						
Required minimum margin for long term insurance business	41	687265	681838	60	.	69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	114544	113640			
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	783843	1193219			
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	783843	1190463			
CONTINGENT LIABILITIES						
Quantifiable contingent liabilities in respect of other than long term insurance business as shown in a supplementary note to Form 15	51			See instruction 6		
Quantifiable contingent liabilities in respect of long term insurance business as shown in a supplementary note to Form 14	52			See instruction 6		

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R9A	**226742**	**GL**	**31**	**12**	**2002**	**£000**

		As at the end of this financial year **1**	As at the end of the previous year **2**	Source
Required minimum margin for long term insurance business	**11**	687265		See instruction 2
Excess (deficiency) of available assets and implicit items over the required minimum margin	**12**	783843		See instruction 3
Total available assets and implicit items (11+12)	**13**	1471108		

Analysed as follows:

Value of implicit items	**14**	572721		See instruction 5
Financial reinsurance- ceded	**15**			See instruction 6
Financial reinsurance- accepted	**16**			See instruction 7
Outstanding contingent loans	**17**			See instruction 8
Any other charges on future profits	**18**			See instruction 9
Sum of financial engineering adjustments (14+15-16+17+18)	**19**	572721		

Other assets (13-19)	**20**	898387		
Total available assets and implicit items (19+20)	**21**	1471108		

Statement of net assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R10	226742	GL	31	12	2002	£000

		As at the end of this financial year 1	As at the end of the previous year 2	Source Form	Line	Column
Long term insurance business - admissible assets	11	10802763	11166625	13	89	1
Long term insurance business - liabilities and margins	12	10802763	11166625	14	59	1
Other than Long term insurance business - admissible assets	21	35545	90757	13	89	1
Other than Long term insurance business - liabilities	22	5278	2161	15	69	1
Net admissible assets (21-22)	23	30267	88596			
Other assets allowed to be taken into account in covering the required minimum margin: Unpaid amounts (including share premium) on partly paid shares	24					
Other assets allowed to be taken into account in covering the required minimum margin: Supplementary contributions for a mutual carrying on general insurance business	25					
Liabilities allowed to be left out of account in covering the required minimum margin: Subordinated loan capital	26					
Liabilities allowed to be left out of account in covering the required minimum margin: Cumulative preference share capital	27					
Available assets (23 to 27)	29	30267	88596			

Represented by:

Paid up share capital (other than cumulative preference share capital)	51	250	250			
Amounts included in lines 24 to 27 above	52					
Amounts representing the balance of net assets	56	30017	88346			
Total (51 to 56) and equal to line 29 above	59	30267	88596			

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

Balance brought forward at the beginning of the financial year	61	88346	89146	10	56	2
Retained profit/(loss) for the financial year	62	(58329)	(800)	16	59	1
Movement in asset valuation differences	63			See instruction 2		
Decrease/(increase) in the provision for adverse changes	64			See instruction 3		
Other movements (particulars to be specified by way of supplementary note)	65					
Balance carried forward at the end of the financial year (61 to 65)	69	30017	88346			

Form 13
(Sheet 1)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	1

Investments				As at the end of this financial year 1	As at the end of the previous year 2
Land and buildings			11		
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21		
		Debt securities issued by, and loans to, dependants	22		
	Other insurance dependants	Shares	23		
		Debt securities issued by, and loans to, dependants	24		
	Non-insurance dependants	Shares	25		
		Debt securities issued by, and loans to, dependants	26		
	Other group undertakings and participating interests	Shares	27		
		Debt securities issued by, and loans to, group undertakings	28		
		Participating interests	29		
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30		
Total sheet 1 (11 to 30)			39		

Form 13
(Sheet 2)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	1

Investments (continued) **Deposits with ceding undertakings** **Assets held to cover linked liabilities**					As at the end of this financial year **1**	As at the end of the previous year **2**
Other financial investments	Equity shares			**41**		
	Other shares and other variable yield securities			**42**		
	Holdings in collective investment schemes			**43**		
	Rights under derivative contracts			**44**		
	Debt securities and other fixed income securities	Fixed interest	Approved securities	**45**		
			Other	**46**		
		Variable interest	Approved securities	**47**		
			Other	**48**		
	Participation in investment pools			**49**		
	Loans secured by mortgages			**50**		
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		**51**		
		Loans secured by policies of insurance issued by the company		**52**		
		Other		**53**		
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		**54**		
		Withdrawal subject to a time restriction of more than one month		**55**		
	Other			**56**		
Deposits with ceding undertakings				**57**		
Assets held to match linked liabilities		Index linked		**58**		
		Property linked		**59**		
Reinsurers' share of technical provisions		Provision for unearned premiums		**60**		
		Claims outstanding		**61**		
		Provision for unexpired risks		**62**		
		Other		**63**		
Total sheet 2 (41 to 63)				**69**		

Form 13
(Sheet 3)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	1

Debtors **Other assets**				As at the end of this financial year **1**	As at the end of the previous year **2**
Debtors arising out of direct insurance operations	Policyholders		**71**		
	Intermediaries		**72**		
Salvage and subrogation recoveries			**73**		
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted		**74**		
	Due from reinsurers and intermediaries under reinsurance contracts ceded		**75**		
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year	**76**		
		Due more than 12 months after the end of the financial year	**77**		
	Other	Due in 12 months or less after the end of the financial year	**78**	5237	33994
		Due more than 12 months after the end of the financial year	**79**		
Tangible assets			**80**		
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities		**81**	30308	56763
	Cash in hand		**82**		
Other assets (particulars to be specified by way of supplementary note)			**83**		
Prepayments and accrued income	Accrued interest and rent		**84**		
	Deferred acquisition costs		**85**		
	Other prepayments and accrued income		**86**		
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets			**87**		
Total sheet 3 (71 to 86 less 87)			**88**	35545	90757
Grand total of admissible assets (39+69+88)			**89**	35545	90757

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

Total admissible assets (as per line 89 above)	**91**	35545	90757
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)	**92**		
Solvency margin deduction for subsidiary undertakings which are insurance undertakings	**93**		
Other differences in the valuation of assets (other than for assets not valued above)	**94**		
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)	**95**		
Total assets determined in accordance with the insurance accounts rules (91 to 95)	**99**	35545	90757

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	**100**		

Form 13
(Sheet 1)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

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

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	10

Investments				As at the end of this financial year 1	As at the end of the previous year 2
Land and buildings			11	1184851	853332
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21		
		Debt securities issued by, and loans to, dependants	22		
	Other insurance dependants	Shares	23		
		Debt securities issued by, and loans to, dependants	24		
	Non-insurance dependants	Shares	25	19992	7950
		Debt securities issued by, and loans to, dependants	26	107666	140989
	Other group undertakings and participating interests	Shares	27		
		Debt securities issued by, and loans to, group undertakings	28		
		Participating interests	29		
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30		
Total sheet 1 (11 to 30)			39	1312509	1002271

Form 13
(Sheet 2)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

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

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	10

Investments (continued) **Deposits with ceding undertakings** **Assets held to cover linked liabilities**					As at the end of this financial year **1**	As at the end of the previous year **2**
Other financial investments	Equity shares			**41**	3620320	5907602
	Other shares and other variable yield securities			**42**		
	Holdings in collective investment schemes			**43**	188334	153347
	Rights under derivative contracts			**44**	20062	13124
	Debt securities and other fixed income securities	Fixed interest	Approved securities	**45**	2799004	2242981
			Other	**46**	2210430	1234488
		Variable interest	Approved securities	**47**	2644	
			Other	**48**	23933	9906
	Participation in investment pools			**49**		
	Loans secured by mortgages			**50**	118	142
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		**51**		
		Loans secured by policies of insurance issued by the company		**52**	13564	13131
		Other		**53**		
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		**54**	66400	1389
		Withdrawal subject to a time restriction of more than one month		**55**	1612	1572
	Other			**56**		
Deposits with ceding undertakings				**57**		
Assets held to match linked liabilities		Index linked		**58**	70	66
		Property linked		**59**	3522	4857
Reinsurers' share of technical provisions		Provision for unearned premiums		**60**		
		Claims outstanding		**61**		
		Provision for unexpired risks		**62**		
		Other		**63**		
Total sheet 2 (41 to 63)				**69**	8950013	9582605

Form 13
(Sheet 3)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

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

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	10

Debtors Other assets				As at the end of this financial year 1	As at the end of the previous year 2
Debtors arising out of direct insurance operations	Policyholders		71	37668	27356
	Intermediaries		72		
Salvage and subrogation recoveries			73		
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted		74		
	Due from reinsurers and intermediaries under reinsurance contracts ceded		75	34979	17655
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year	76		
		Due more than 12 months after the end of the financial year	77		
	Other	Due in 12 months or less after the end of the financial year	78	249547	276865
		Due more than 12 months after the end of the financial year	79		
Tangible assets			80	2	3
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities		81	137567	184716
	Cash in hand		82		
Other assets (particulars to be specified by way of supplementary note)			83		
Prepayments and accrued income	Accrued interest and rent		84	71568	63047
	Deferred acquisition costs		85		
	Other prepayments and accrued income		86	8910	12107
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets			87		
Total sheet 3 (71 to 86 less 87)			88	540241	581749
Grand total of admissible assets (39+69+88)			89	10802763	11166625

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

Total admissible assets (as per line 89 above)	91	10802763	11166625
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)	92		
Solvency margin deduction for subsidiary undertakings which are insurance undertakings	93		
Other differences in the valuation of assets (other than for assets not valued above)	94	(99624)	(1286)
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)	95		
Total assets determined in accordance with the insurance accounts rules (91 to 95)	99	10703139	11165339

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	100	74592	282816

Form 13
(Sheet 1)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	11

Investments				As at the end of this financial year 1	As at the end of the previous year 2
Land and buildings			11	1184851	853332
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21		
		Debt securities issued by, and loans to, dependants	22		
	Other insurance dependants	Shares	23		
		Debt securities issued by, and loans to, dependants	24		
	Non-insurance dependants	Shares	25	19992	7950
		Debt securities issued by, and loans to, dependants	26	107666	140989
	Other group undertakings and participating interests	Shares	27		
		Debt securities issued by, and loans to, group undertakings	28		
		Participating interests	29		
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30		
Total sheet 1 (11 to 30)			39	1312509	1002271

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	11

Investments (continued) **Deposits with ceding undertakings** **Assets held to cover linked liabilities**					As at the end of this financial year **1**	As at the end of the previous year **2**
Other financial investments	Equity shares			**41**	3620320	5907602
	Other shares and other variable yield securities			**42**		
	Holdings in collective investment schemes			**43**	188334	153347
	Rights under derivative contracts			**44**	20062	13124
	Debt securities and other fixed income securities	Fixed interest	Approved securities	**45**	2781854	2226672
			Other	**46**	2209553	1234219
		Variable interest	Approved securities	**47**	2644	
			Other	**48**	23933	9906
	Participation in investment pools			**49**		
	Loans secured by mortgages			**50**	118	142
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		**51**		
		Loans secured by policies of insurance issued by the company		**52**	13564	13131
		Other		**53**		
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		**54**	66400	1389
		Withdrawal subject to a time restriction of more than one month		**55**	1612	1572
	Other			**56**		
Deposits with ceding undertakings				**57**		
Assets held to match linked liabilities		Index linked		**58**	70	66
		Property linked		**59**	3522	4857
Reinsurers' share of technical provisions		Provision for unearned premiums		**60**		
		Claims outstanding		**61**		
		Provision for unexpired risks		**62**		
		Other		**63**		
Total sheet 2 (41 to 63)				**69**	8931986	9566027

Form 13
(Sheet 3)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	11

Debtors Other assets				As at the end of this financial year 1	As at the end of the previous year 2
Debtors arising out of direct insurance operations	Policyholders		71	37668	27356
	Intermediaries		72		
Salvage and subrogation recoveries			73		
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted		74		
	Due from reinsurers and intermediaries under reinsurance contracts ceded		75	29685	14590
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year	76		
		Due more than 12 months after the end of the financial year	77		
	Other	Due in 12 months or less after the end of the financial year	78	243858	276865
		Due more than 12 months after the end of the financial year	79		
Tangible assets			80	2	3
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities		81	127878	184716
	Cash in hand		82		
Other assets (particulars to be specified by way of supplementary note)			83		
Prepayments and accrued income	Accrued interest and rent		84	71407	62833
	Deferred acquisition costs		85		
	Other prepayments and accrued income		86	8910	12107
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets			87		
Total sheet 3 (71 to 86 less 87)			88	519408	578470
Grand total of admissible assets (39+69+88)			89	10763903	11146768

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

Total admissible assets (as per line 89 above)	91	10763903	11146768
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)	92		
Solvency margin deduction for subsidiary undertakings which are insurance undertakings	93		
Other differences in the valuation of assets (other than for assets not valued above)	94	(99209)	(1478)
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)	95		
Total assets determined in accordance with the insurance accounts rules (91 to 95)	99	10664694	11145290

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	100	74237	282816

Form 13
(Sheet 1)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	12

Investments				As at the end of this financial year 1	As at the end of the previous year 2
Land and buildings			11		
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21		
		Debt securities issued by, and loans to, dependants	22		
	Other insurance dependants	Shares	23		
		Debt securities issued by, and loans to, dependants	24		
	Non-insurance dependants	Shares	25		
		Debt securities issued by, and loans to, dependants	26		
	Other group undertakings and participating interests	Shares	27		
		Debt securities issued by, and loans to, group undertakings	28		
		Participating interests	29		
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30		
Total sheet 1 (11 to 30)			39		

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	12

Investments (continued) **Deposits with ceding undertakings** **Assets held to cover linked liabilities**					As at the end of this financial year **1**	As at the end of the previous year **2**
Other financial investments	Equity shares			**41**		
	Other shares and other variable yield securities			**42**		
	Holdings in collective investment schemes			**43**		
	Rights under derivative contracts			**44**		
	Debt securities and other fixed income securities	Fixed interest	Approved securities	**45**	17150	16309
			Other	**46**	877	269
		Variable interest	Approved securities	**47**		
			Other	**48**		
	Participation in investment pools			**49**		
	Loans secured by mortgages			**50**		
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		**51**		
		Loans secured by policies of insurance issued by the company		**52**		
		Other		**53**		
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		**54**		
		Withdrawal subject to a time restriction of more than one month		**55**		
	Other			**56**		
Deposits with ceding undertakings				**57**		
Assets held to match linked liabilities		Index linked		**58**		
		Property linked		**59**		
Reinsurers' share of technical provisions		Provision for unearned premiums		**60**		
		Claims outstanding		**61**		
		Provision for unexpired risks		**62**		
		Other		**63**		
Total sheet 2 (41 to 63)				**69**	18027	16578

Form 13
(Sheet 3)

Analysis of admissible assets

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R13	226742	GL	31	12	2002	£000	12

Debtors Other assets				As at the end of this financial year 1	As at the end of the previous year 2
Debtors arising out of direct insurance operations	Policyholders		71		
	Intermediaries		72		
Salvage and subrogation recoveries			73		
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted		74		
	Due from reinsurers and intermediaries under reinsurance contracts ceded		75	5294	3065
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year	76		
		Due more than 12 months after the end of the financial year	77		
	Other	Due in 12 months or less after the end of the financial year	78	5689	
		Due more than 12 months after the end of the financial year	79		
Tangible assets			80		
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities		81	9689	
	Cash in hand		82		
Other assets (particulars to be specified by way of supplementary note)			83		
Prepayments and accrued income	Accrued interest and rent		84	161	214
	Deferred acquisition costs		85		
	Other prepayments and accrued income		86		
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets			87		
Total sheet 3 (71 to 86 less 87)			88	20833	3279
Grand total of admissible assets (39+69+88)			89	38860	19857

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

Total admissible assets (as per line 89 above)	91	38860	19857
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)	92		
Solvency margin deduction for subsidiary undertakings which are insurance undertakings	93		
Other differences in the valuation of assets (other than for assets not valued above)	94	(415)	192
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)	95		
Total assets determined in accordance with the insurance accounts rules (91 to 95)	99	38445	20049

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	100	355	

Long term insurance business liabilities and margins

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

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

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R14	226742	GL	31	12	2002	£000	10

				As at the end of this financial year 1	As at the end of the previous year 2	Source
Mathematical reserves, after distribution of surplus			11	9447077	9317351	See Instruction 2
Cash bonuses which had not been paid to policyholders prior to end of the financial year			12			See Instruction 3
Balance of surplus/(valuation deficit)			13	2117	3318	See Instruction 4
Long term insurance business fund carried forward (11 to 13)			14	9449194	9320669	See Instruction 5
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount		15	104697	71281	
	Reinsurers' share		16	1310	1310	
	Net (15-16)		17	103387	69971	
Provisions for other risks and charges	Taxation		21	865		
	Other		22	554	690	
Deposits received from reinsurers			23			
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31	21511	27861	
		Reinsurance accepted	32			
		Reinsurance ceded	33	96228	47719	
	Debenture loans	Secured	34			
		Unsecured	35			
	Amounts owed to credit institutions		36	5765	4261	
	Other creditors	Taxation	37	34875	22696	
		Other	38	148148	296987	
Accruals and deferred income			39	25338	19397	
Provision for adverse changes (calculated in accordance with rule 5.3)			41			
Total other insurance and non-insurance liabilities (17 to 41)			49	436671	489582	
Excess of the value of net admissible assets			51	916898	1356374	See Instruction 6
Total liabilities and margins			59	10802763	11166625	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	42158	46308	
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	3522	4857	

Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate	63	50895	141429	See Instruction 7

Long term insurance business liabilities and margins

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R14	226742	GL	31	12	2002	£000	11

				As at the end of this financial year 1	As at the end of the previous year 2	Source
Mathematical reserves, after distribution of surplus			11	9417564	9303356	See Instruction 2
Cash bonuses which had not been paid to policyholders prior to end of the financial year			12			See Instruction 3
Balance of surplus/(valuation deficit)			13	105	28	See Instruction 4
Long term insurance business fund carried forward (11 to 13)			14	9417669	9303384	See Instruction 5
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount		15	104627	71036	
	Reinsurers' share		16	1274	1274	
	Net (15-16)		17	103353	69762	
Provisions for other risks and charges	Taxation		21			
	Other		22	554	690	
Deposits received from reinsurers			23			
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31	21508	27858	
		Reinsurance accepted	32			
		Reinsurance ceded	33	90740	47707	
	Debenture loans	Secured	34			
		Unsecured	35			
	Amounts owed to credit institutions		36	5765	4261	
	Other creditors	Taxation	37	34875	21466	
		Other	38	147203	295869	
Accruals and deferred income			39	25338	19397	
Provision for adverse changes (calculated in accordance with rule 5.3)			41			
Total other insurance and non-insurance liabilities (17 to 41)			49	429336	487010	
Excess of the value of net admissible assets			51	916898	1356374	See Instruction 6
Total liabilities and margins			59	10763903	11146768	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	41264	45510	
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	3522	4857	

Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate	63	50895	138889	See Instruction 7

Long term insurance business liabilities and margins

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R14	226742	GL	31	12	2002	£000	12

				As at the end of this financial year 1	As at the end of the previous year 2	Source
Mathematical reserves, after distribution of surplus			11	29513	13995	See Instruction 2
Cash bonuses which had not been paid to policyholders prior to end of the financial year			12			See Instruction 3
Balance of surplus/(valuation deficit)			13	2012	3290	See Instruction 4
Long term insurance business fund carried forward (11 to 13)			14	31525	17285	See Instruction 5
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount		15	70	245	
	Reinsurers' share		16	36	36	
	Net (15-16)		17	34	209	
Provisions for other risks and charges	Taxation		21	865		
	Other		22			
Deposits received from reinsurers			23			
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31	3	3	
		Reinsurance accepted	32			
		Reinsurance ceded	33	5488	12	
	Debenture loans	Secured	34			
		Unsecured	35			
	Amounts owed to credit institutions		36			
	Other creditors	Taxation	37		1230	
		Other	38	945	1118	
Accruals and deferred income			39			
Provision for adverse changes (calculated in accordance with rule 5.3)			41			
Total other insurance and non-insurance liabilities (17 to 41)			49	7335	2572	
Excess of the value of net admissible assets			51			See Instruction 6
Total liabilities and margins			59	38860	19857	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	894	798	
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62			

Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate	63		2540	See Instruction 7

Liabilities (other than long term insurance business)

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R15	226742	GL	31	12	2002	£000

				As at the end of this financial year 1	As at the end of the previous year 2
Technical provisions (gross amount)	Provision for unearned premiums		11		
	Claims outstanding		12		
	Provision for unexpired risks		13		
	Equalisation provisions	Credit business	14		
		Other than credit business	15		
	Other		16		
	Total (11 to 16)		19		
Provisions for other risks and charges	Taxation		21		
	Other		22		
Deposits received from reinsurers			31		
Creditors	Arising out of insurance operations	Direct insurance business	41		
		Reinsurance accepted	42		
		Reinsurance ceded	43		
	Debenture loans	Secured	44		
		Unsecured	45		
	Amounts owed to credit institutions		46		
	Other creditors	Taxation	47		
		Recommended dividend	48		
		Other	49	5278	2161
Accruals and deferred income			51		
Total (19 to 51)			59	5278	2161
Provision for adverse changes (calculated in accordance with rule 5.3) [Regulation 61 of the Insurance Companies Regulations 1994]			61		
Cumulative preference share capital			62		
Subordinated loan capital			63		
Total (59 to 63)			69	5278	2161

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		2161

Profit and loss account (non-technical account)

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R16	226742	GL	31	12	2002	£000

			This financial year 1	Previous year 2	Source Form	Line	Column
Transfer (to)/from the general insurance business technical account	From Form 20	11			20	. 59	
	Equalisation provisions	12					
Transfer from the long term insurance business revenue account		13	29920	56760	40	. 26	
Investment income	Income	14	787	20			
	Value re-adjustments on investments	15					
	Gains on the realisation of investments	16					
Investment charges	Investment management charges, including interest	17					
	Value re-adjustments on investments	18					
	Loss on the realisation of investments	19					
Allocated investment return transferred to the general insurance business technical account		20			20	. 51	
Other income and charges (particulars to be specified by way of supplementary note)		21					
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	30707	56780			
Tax on profit or loss on ordinary activities		31	236	180			
Profit or loss on ordinary activities after tax (29-31)		39	30471	56600			
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	30471	56600			
Dividends (paid and proposed)		51	88800	57400			
Profit or loss retained for the financial year (49-51)		59	(58329)	(800)			

Analysis of derivative contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

Insurance Business **Long term**

Financial year ended **31st December 2002**

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

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R17	**226742**	**GL**	**31**	**12**	**2002**	**£000**	**10**

Derivative contracts			As at the end of this financial year		As at the end of the previous year	
			Assets **1**	Liabilities **2**	Assets **3**	Liabilities **4**
Futures contracts	Fixed-interest securities	**11**				
	Equity shares	**12**				
	Land	**13**				
	Currencies	**14**	14129	15011	7595	6845
	Other	**15**				
Options	Fixed-interest securities	**21**	12			549
	Equity shares	**22**	5797	2219	5529	594
	Land	**23**				
	Currencies	**24**				
	Other	**25**	124	270		
Contracts for differences	Fixed-interest securities	**31**				
	Equity shares	**32**				
	Land	**33**				
	Currencies	**34**				
	Other	**35**				
Adjustments for variation margin		**41**				
Total (11 to 41)		**49**	20062	17500	13124	7988

Analysis of derivative contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

Insurance Business **Long term**

Financial year ended **31st December 2002**

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Category of assets
R17	226742	GL	31	12	2002	£000	11

Derivative contracts			As at the end of this financial year		As at the end of the previous year	
			Assets 1	Liabilities 2	Assets 3	Liabilities 4
Futures contracts	Fixed-interest securities	11				
	Equity shares	12				
	Land	13				
	Currencies	14	14129	15011	7595	6845
	Other	15				
Options	Fixed-interest securities	21	12			549
	Equity shares	22	5797	2219	5529	594
	Land	23				
	Currencies	24				
	Other	25	124	270		
Contracts for differences	Fixed-interest securities	31				
	Equity shares	32				
	Land	33				
	Currencies	34				
	Other	35				
Adjustments for variation margin		41				
Total (11 to 41)		49	20062	17500	13124	7988

Long term insurance business : Revenue account

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Summary**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R40	226742	GL	31	12	2002	£000	OB	99	0

Items to be shown net of reinsurance ceded		The financial year 1	Previous year 2
Earned premiums	**11**	1634587	1371713
Investment income receivable before deduction of tax	**12**	448120	385378
Increase (decrease) in the value of non-linked assets brought into account	**13**	(980344)	(381218)
Increase (decrease) in the value of linked assets	**14**	350	75
Other income	**15**	8000	
Total income (11 to 15)	**19**	1110713	1375948
Claims incurred	**21**	861091	787322
Expenses payable	**22**	163945	172905
Interest payable before deduction of tax	**23**	5809	5204
Taxation	**24**	(86577)	(6295)
Other expenditure	**25**	8000	
Transfer to (from) non technical account	**26**	29920	56760
Total expenditure (21 to 26)	**29**	982188	1015896
Increase (decrease) in fund in financial year (19-29)	**39**	128525	360052
Fund brought forward	**49**	9320669	8960617
Fund carried forward (39+49)	**59**	9449194	9320669

Long term insurance business : Revenue account

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Life and Annuity 1**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R40	226742	GL	31	12	2002	£000	OB	1	99

Items to be shown net of reinsurance ceded		The financial year 1	Previous year 2
Earned premiums	**11**	1630949	1368017
Investment income receivable before deduction of tax	**12**	447129	384591
Increase (decrease) in the value of non-linked assets brought into account	**13**	(980995)	(380682)
Increase (decrease) in the value of linked assets	**14**	350	75
Other income	**15**		
Total income (11 to 15)	**19**	1097433	1372001
Claims incurred	**21**	858540	785045
Expenses payable	**22**	162683	171980
Interest payable before deduction of tax	**23**	5805	5189
Taxation	**24**	(81800)	(6932)
Other expenditure	**25**	8000	
Transfer to (from) non technical account	**26**	29920	56760
Total expenditure (21 to 26)	**29**	983148	1012042
Increase (decrease) in fund in financial year (19-29)	**39**	114285	359959
Fund brought forward	**49**	9303384	8943425
Fund carried forward (39+49)	**59**	9417669	9303384

Long term insurance business : Revenue account

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Permanent Health 2**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R40	226742	GL	31	12	2002	£000	OB	2	0

Items to be shown net of reinsurance ceded		The financial year 1	Previous year 2
Earned premiums	11	3638	3696
Investment income receivable before deduction of tax	12	991	787
Increase (decrease) in the value of non-linked assets brought into account	13	651	(536)
Increase (decrease) in the value of linked assets	14		
Other income	15	8000	
Total income (11 to 15)	19	13280	3947
Claims incurred	21	2551	2277
Expenses payable	22	1262	925
Interest payable before deduction of tax	23	4	15
Taxation	24	(4777)	637
Other expenditure	25		
Transfer to (from) non technical account	26		
Total expenditure (21 to 26)	29	(960)	3854
Increase (decrease) in fund in financial year (19-29)	39	14240	93
Fund brought forward	49	17285	17192
Fund carried forward (39+49)	59	31525	17285

Long term insurance business : Analysis of premiums and expenses

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Summary**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R41	226742	GL	31	12	2002	£000	OB	99	0

				Gross 1	Payable to or recoverable from reinsurers 2	Net of reinsurance (1-2) 3
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	11	2241424	1190759	1050665
		Regular premium	12	402266	124245	278021
	Pension business contracts	Single premium	13	1566301	1333219	233082
		Regular premium	14	465857	406341	59516
	Permanent health contracts	Single premium	15	15822	14379	1443
		Regular premium	16	26868	15008	11860
	Other contracts	Single premium	17			
		Regular premium	18			
	Total premiums	Single premium	19	3823547	2538357	1285190
		Regular premium	29	894991	545594	349397
	Total premiums at lines 19 and 29 attributable to	UK contracts	31	4622998	3059001	1563997
		Overseas contracts	32	95540	24950	70590
Expenses payable in the financial year	Commission payable in connection with acquisition of business		41	203644	129486	74158
	Other commission payable		42	15611	3129	12482
	Management expenses in connection with acquisition of business		43	169896	130875	39021
	Management expenses in connection with maintenance of business		44	33444	14263	19181
	Other management expenses		45	38037	18934	19103
	Total expenses (41 to 45)		49	460632	296687	163945
	Total expenses at line 49 attributable to	UK contracts	51	450340	293705	156635
		Overseas contracts	52	10292	2982	7310

Long term insurance business : Analysis of premiums and expenses

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Life and Annuity 1**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R41	226742	GL	31	12	2002	£000	OB	1	99

				Gross 1	Payable to or recoverable from reinsurers 2	Net of reinsurance (1-2) 3
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	11	2241424	1190759	1050665
		Regular premium	12	402266	124245	278021
	Pension business contracts	Single premium	13	1566301	1333219	233082
		Regular premium	14	465857	406341	59516
	Permanent health contracts	Single premium	15			
		Regular premium	16	9665		9665
	Other contracts	Single premium	17			
		Regular premium	18			
	Total premiums	Single premium	19	3807725	2523978	1283747
		Regular premium	29	877788	530586	347202
	Total premiums at lines 19 and 29 attributable to	UK contracts	31	4589973	3029614	1560359
		Overseas contracts	32	95540	24950	70590
Expenses payable in the financial year	Commission payable in connection with acquisition of business		41	193193	119699	73494
	Other commission payable		42	15407	3102	12305
	Management expenses in connection with acquisition of business		43	169904	130748	39156
	Management expenses in connection with maintenance of business		44	32799	14172	18627
	Other management expenses		45	38027	18926	19101
	Total expenses (41 to 45)		49	449330	286647	162683
	Total expenses at line 49 attributable to	UK contracts	51	439038	283665	155373
		Overseas contracts	52	10292	2982	7310

Long term insurance business : Analysis of premiums and expenses

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Permanent Health 2**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R41	226742	GL	31	12	2002	£000	OB	2	0

				Gross 1	Payable to or recoverable from reinsurers 2	Net of reinsurance (1-2) 3
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	11			
		Regular premium	12			
	Pension business contracts	Single premium	13			
		Regular premium	14			
	Permanent health contracts	Single premium	15	15822	14379	1443
		Regular premium	16	17203	15008	2195
	Other contracts	Single premium	17			
		Regular premium	18			
	Total premiums	Single premium	19	15822	14379	1443
		Regular premium	29	17203	15008	2195
	Total premiums at lines 19 and 29 attributable to	UK contracts	31	33025	29387	3638
		Overseas contracts	32			
Expenses payable in the financial year	Commission payable in connection with acquisition of business		41	10451	9787	664
	Other commission payable		42	204	27	177
	Management expenses in connection with acquisition of business		43	(8)	127	(135)
	Management expenses in connection with maintenance of business		44	645	91	554
	Other management expenses		45	10	8	2
	Total expenses (41 to 45)		49	11302	10040	1262
	Total expenses at line 49 attributable to	UK contracts	51	11302	10040	1262
		Overseas contracts	52			

Long term insurance business : Analysis of claims

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Summary**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R42	226742	GL	31	12	2002	£000	OB	99	0

Claims incurred in the financial year			Gross 1	Recoverable from reinsurers 2	Net of reinsurance (1-2) 3
Life assurance and annuity contracts	On death	11	266573	163804	102769
	By way of lump sums on maturity	12	89898	1427	88471
	By way of annuity payments	13	1443		1443
	By way of payments arising from other insured events	14	8046	2678	5368
	On surrender or partial surrender	15	814837	412776	402061
	Total life assurance and annuity claims (11 to 15)	19	1180797	580685	600112
Pension business contracts	On death	21	13813	5403	8410
	By way of lump sums on vesting	22	61873	13438	48435
	By way of vested annuity payments	23	35206		35206
	On surrender or partial surrender	24	314703	148488	166215
	Total pension business claims (21 to 24)	29	425595	167329	258266
Permanent health contracts	By way of lump sums	31	5390	4947	443
	By way of periodical payments	32	2928	658	2270
	Total permanent health claims (31+32)	39	8318	5605	2713
Other contracts	By way of lump sums	41			
	By way of periodical payments	42			
	Total claims (41+42)	49			
Total claims (19+29+39+49)		59	1614710	753619	861091
Total claims at line 59 attributable to	UK contracts	61	1552222	746706	805516
	Overseas contracts	62	62488	6913	55575

Long term insurance business : Analysis of claims

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Life and Annuity 1**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R42	226742	GL	31	12	2002	£000	OB	1	99

Claims incurred in the financial year			Gross 1	Recoverable from reinsurers 2	Net of reinsurance (1-2) 3
Life assurance and annuity contracts	On death	11	266573	163804	102769
	By way of lump sums on maturity	12	89898	1427	88471
	By way of annuity payments	13	1443		1443
	By way of payments arising from other insured events	14	8046	2678	5368
	On surrender or partial surrender	15	814837	412776	402061
	Total life assurance and annuity claims (11 to 15)	19	1180797	580685	600112
Pension business contracts	On death	21	13813	5403	8410
	By way of lump sums on vesting	22	61873	13438	48435
	By way of vested annuity payments	23	35206		35206
	On surrender or partial surrender	24	314703	148488	166215
	Total pension business claims (21 to 24)	29	425595	167329	258266
Permanent health contracts	By way of lump sums	31	162		162
	By way of periodical payments	32			
	Total permanent health claims (31+32)	39	162		162
Other contracts	By way of lump sums	41			
	By way of periodical payments	42			
	Total claims (41+42)	49			
Total claims (19+29+39+49)		59	1606554	748014	858540
Total claims at line 59 attributable to	UK contracts	61	1544066	741101	802965
	Overseas contracts	62	62488	6913	55575

Long term insurance business : Analysis of claims

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Permanent Health 2**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R42	226742	GL	31	12	2002	£000	OB	2	0

Claims incurred in the financial year			Gross 1	Recoverable from reinsurers 2	Net of reinsurance (1-2) 3
Life assurance and annuity contracts	On death	11			
	By way of lump sums on maturity	12			
	By way of annuity payments	13			
	By way of payments arising from other insured events	14			
	On surrender or partial surrender	15			
	Total life assurance and annuity claims (11 to 15)	19			
Pension business contracts	On death	21			
	By way of lump sums on vesting	22			
	By way of vested annuity payments	23			
	On surrender or partial surrender	24			
	Total pension business claims (21 to 24)	29			
Permanent health contracts	By way of lump sums	31	5228	4947	281
	By way of periodical payments	32	2928	658	2270
	Total permanent health claims (31+32)	39	8156	5605	2551
Other contracts	By way of lump sums	41			
	By way of periodical payments	42			
	Total claims (41+42)	49			
Total claims (19+29+39+49)		59	8156	5605	2551
Total claims at line 59 attributable to	UK contracts	61	8156	5605	2551
	Overseas contracts	62			

Form 43

Long term insurance business : Summarised balance sheet for internal linked funds

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Summary**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R43	226742	GL	31	12	2002	£000	OB	99	0

Name of fund 1	Directly held assets 2	Investment in other internal linked funds of the insurer 3	Total assets (2+3) 4	Provision for tax on unrealised capital gains 5	Secured and unsecured loans 6	Other liabilities 7	Net asset value (4-5-6-7) 8
French Vega Securite	1469		1469				1469
Total	**1469**		**1469**				**1469**

Form 43

Long term insurance business : Summarised balance sheet for internal linked funds

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Life and Annuity 1**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R43	226742	GL	31	12	2002	£000	OB	1	99

Name of fund 1	Directly held assets 2	Investment in other internal linked funds of the insurer 3	Total assets (2+3) 4	Provision for tax on unrealised capital gains 5	Secured and unsecured loans 6	Other liabilities 7	Net asset value (4-5-6-7) 8
French Vega Securite	1469		1469				1469
Total	**1469**		**1469**				**1469**

Long term insurance business : Aggregate revenue account for internal linked funds

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Summary**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R44	226742	GL	31	12	2002	£000	OB	99	0

Value of total creation of units	11	2285
Investment income attributable to the funds before deduction of tax	12	
Increase (decrease) in the value of investments in the financial year	13	350
Other income	14	
Total income (11 to 14)	19	2635
Value of total cancellation of units	21	4884
Charges for management	22	
Charges in respect of tax on investment income	23	
Taxation on realised capital gains	24	
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	
Other expenditure	26	
Total expenditure (21 to 26)	29	4884
Increase (decrease) in funds in financial year (19-29)	39	(2249)
Internal linked funds brought forward	49	3718
Internal linked funds carried forward (39+49)	59	1469

Long term insurance business : Aggregate revenue account for internal linked funds

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund/Summary **Life and Annuity 1**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	OB/IB	No of fund/ Summary	No of part of Fund
R44	226742	GL	31	12	2002	£000	OB	1	99

Value of total creation of units	11	2285
Investment income attributable to the funds before deduction of tax	12	
Increase (decrease) in the value of investments in the financial year	13	350
Other income	14	
Total income (11 to 14)	19	2635
Value of total cancellation of units	21	4884
Charges for management	22	
Charges in respect of tax on investment income	23	
Taxation on realised capital gains	24	
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	
Other expenditure	26	
Total expenditure (21 to 26)	29	4884
Increase (decrease) in funds in financial year (19-29)	39	(2249)
Internal linked funds brought forward	49	3718
Internal linked funds carried forward (39+49)	59	1469

Long term insurance business : Supplementary information for internal linked funds

Name of insurer **CGNU Life Assurance Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2002**

Name and number of fund **Life and Annuity 1**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	OB/IB	No of fund	No of part of Fund
R45	226742	GL	31	12	2002	£000	OB	1	99

Name of fund 1	Amount of taxable unrealised capital gain or loss 2	Percentage provision for tax on unrealised capital gains 3	Percentage provision for tax on realised capital gains 4	Liquidity percentage 5	Valuation price per unit 6
French Vega Securite				100.00	2188.96493

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31 December 2002**

1 The date to which the investigation relates is 31 December 2002.

2 The date to which the previous investigation related was 31 December 2001.

3 This valuation is in conformity with IPRU (INS) rule 5.6.

4 (1) Non linked contracts

(a) Retirement annuities

These are directly written with-profit deferred annuities approved under Chapter III Part XIV of the Income and Corporation Taxes Act 1988 or under corresponding legislation in Jersey and Guernsey.

Benefits are expressed in terms of a guaranteed annuity payable from age 70 (occasionally age 75). Each premium paid is applied to purchase additional benefits after deduction of commission and in the case of policies written since 1981, a policy charge. Premium rates can be changed for increments to regular premiums and for future single premiums.

For policies written prior to 1981, premium payments could be level or flexible within limits defined in the policy. For policies written since 1981, premium payments are either level or single.

Retirement can take place at any time between age 60 and 70 (or earlier in the event of ill health or in the case of certain occupations or professions), in which case the guaranteed annuity is reduced by the application of an early retirement factor which is specified in the policy.

On retirement at any age, part or the entire guaranteed annuity may be commuted for cash, on the basis of fixed rates of conversion specified in the policy. The resulting cash sum may be taken as a benefit within Inland Revenue limits or applied on current immediate annuity rates with the Company or with any other insurance company.

Benefits payable on death are either a return of premiums with interest, a return of premiums with no interest, or a return of fund. The return of fund benefit is equal to the cash sum that would be available on retirement at that time.

Transfer values are available by concession but are not guaranteed. Current practice is to pay the cash sum that would be available on retirement at that time.

Waiver of premium benefit is available on policies issued since 1984.

Reversionary bonuses are added to the benefits purchased to date. Future reversionary bonus rates are not guaranteed.

This contract is no longer issued.

Unitised with profit

Unitised with profit benefits arise under Personal Pension Scheme, GA Group Money Purchase Scheme, GA Top-up Pension and International Personal Pension policies which are unit linked policies issued jointly by this Company and Norwich Union Linked Life Assurance Limited prior to 1 January 1993 (15 March 1993 in the case of the International Personal Pension). Jointly issued contracts are administered by Norwich Union Linked Life Assurance Limited and are fully described in the returns of that company.

Unitised with profit benefits also arise under unit linked policies issued by this Company. These contracts are fully described in paragraph 5 where details of contractual charges are given.

Norwich Union Linked Life Assurance Limited retains the initial charge included in the offer price of units in the Unitised With Profit Pension Fund under jointly issued policies.

A periodic charge of 1% p.a. is rebated to Norwich Union Linked Life Assurance Limited, in respect of Unitised With Profit Pension benefits under jointly issued policies. No other periodic charge is applied to the Unitised With Profit Life and Pension Funds other than by unit cancellation under the contract terms. These funds form non-identifiable parts of the Company's ordinary Long Term Life Assurance and Annuity Fund.

Unitised With Profit Income

These are Unitised With Profit benefits arising under Portfolio Bond contracts written since 15 May 2000 and under the NU Bond, NU Bond 2000, With Profit Bond and NU Flexibond contracts. The unit price is fixed at £1 and profits are distributed by allocating additional units to the policy each month in line with the prevailing regular bonus rate. The fund forms a non-identifiable part of the Company's ordinary Long Term Life Assurance and Annuity Fund.

Valeur Plus

These are Unitised With Profit benefits arising under the French Multi-Portfolio and Multi-Portfolio Retraite contracts denominated in French francs. Those contracts are fully described in paragraph 5.

No periodic charge is applied to units in this fund other than by unit cancellation under the contract terms. The fund forms a non-identifiable part of the Company's Ordinary Long Term Life Assurance and Annuity Fund.

German Unitised With Profit

These are Unitised With Profit benefits arising under the German GALA and German DIVA contracts denominated in Deutschmarks. Those contracts are fully described in paragraph 5. No periodic charge is applied to units in this fund other than by unit cancellation under the contract terms. The fund forms a non-identifiable part of the Company's Long Term Life Assurance and Annuity fund.

Irish Unitised With Profit

These are Unitised With Profit benefits arising under the Irish Portfolio Bond, Irish Portfolio Pension and Executive Portfolio Pension contracts denominated in Punts. These contracts are fully described in paragraph 5. No periodic charge is applied to units in this fund other than by way of unit cancellation under the contract terms. The fund forms a non-identifiable part of the Company's Long Term Life Assurance and Annuity Fund.

Reassurance from Norwich Union Life (RBS) Ltd

From 28 January 2002 the Company was the accepting reassurer for the With Profit Bond contract written by Norwich Union Life (RBS) Ltd (referred to in the returns as the Joint Venture With Profit Bond). The treaty is on a quota share basis with 45% being reassured to the company. The contract terms are as follows.

The contract is a single premium United Kingdom reinsurance accepted whole life assurance and is classified as life assurance and general annuity business. Benefits may be linked to the Unitised With Profit Life Fund, the Unitised With Profit Income Fund or a combination of both.

(i) Deductions from identifiable current benefit

If units are held for less than 5 years, a charge is applied to the bid value of units as follows. The change is not applied on death, nor to 'protected withdrawals' (see below). The surrender value is equal to the bid value of units, after any allowance for final bonus or market value reduction, less an early redemption charge in the case of surrenders during the first 5 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the amount withdrawn that exceeds 10% according to the following scale:

Year	Charge
1	8%
2	7%
3	5%
4	3%
5	1%

The company reserves the right to adjust the value of units by applying a market value reduction. The adjustment is not applied on death nor to 'protected withdrawals' (see below).
The adjustment is applied at the company's discretion. In determining a Market Value Reduction (MVR) the investment return of the With Profits Fund is compared with the return credited to the units being cancelled. An MVR may be applied when the investment performance is less than the credited return.
A discretionary final bonus may also be added or adjusted at any time.

(ii) A market value reduction has been applied at certain times during the report period. The Market Value Reduction was expressed as a scale varying by month of unit purchase and the scale was revised on a number of occasions to reflect changing investment conditions.

(iii) The price of units in the Unitised With Profits Life Fund is guaranteed never to fall. In the case of the Unitised With Profit Income Fund the unit price is fixed at £1 and profits are distributed by allocating additional units to the policy each month in line with the prevailing regular bonus rate.

There is a guaranteed first anniversary bonus, paid on the business day prior to the first policy anniversary. The rate of this bonus is dependent upon the amount originally invested into the bond. Prior to 1 August 2002, the bonus varies from 0% up to 3.5% for investment over £100,000. For policies written on and after 1 August 2002, the bonus varies from 0% up to 1.25% for investment over £100,000. An additional bonus of 1.5% is paid for policies written on and after 21 October 2002, for all investment amounts.

A Loyalty bonus of 0.5% is payable against the number of units remaining in the bond at the close of business on the day prior to the each anniversary from the sixth anniversary onwards. The Loyalty bonus is paid by adding extra units.

(iv) In the case of investments in the Unitised With Profit Life Fund there is a money back guarantee on the tenth anniversary of the policy. The amount guaranteed is the initial investment reduced in proportion to the number of units cancelled through withdrawals and switches. There is no money back guarantee for investments in the Unitised With Profit Income Fund.

(v) Regular withdrawal option enables regular payments to be taken from the Bond. Regular withdrawal options are not available where there are investments in the Unitised With Profit Income Fund.
For certain regular withdrawals from the Unitised With Profits Life Fund there is a guarantee not to apply either a surrender charge or a Market Value Reduction. This applies provided the withdrawal is less than 7.5% p.a. of the initial investment and this facility was set up from inception or after outset at a time when no Market Value Reduction was applying. For Unitised With Profit Income fund, no Market Value Reduction is applicable to the income payments up to the total bonus rate at that time.

Policyholders may switch funds between the Unitised With Profit Life Fund and the Unitised With Profit Income Fund.

Reassurance from Norwich Union International Limited

From 30 September 2002 the Company was the accepting reassurer for the With Profit Bond contract written by Norwich Union International Limited, a company incorporated in the Dublin International Financial Services Centre (referred to in the returns as the Norwich Union International With-Profit Bond). The treaty is on a quota share basis with 45% being reassured to the company. The contract terms are as follows. It is a whole life assurance and is classified as overseas life assurance and general annuity business. Benefits are linked to the Unitised With Profit Pension Fund.

(i) Deductions from identifiable current benefit

If units are held for less than 5 years, a charge is applied to the bid value of units as follows. The change is not applied on death, nor to certain regular withdrawals (see below). The surrender value is equal to the bid value of units, after any allowance for final bonus or market value reduction, less an early redemption charge in the case of surrenders during the first 5 years of the policy. The early cash-in charge is applied to the money originally invested according to the following scale:

Year	Charge
1	9.9%
2	8.0%
3	6.0%
4	4.0%
5	2.0%

The company reserves the right to adjust the value of units by applying a market value reduction. The adjustment is not applied on death nor to 'protected withdrawals' (see below).
The adjustment is applied at the company's discretion. In determining a Market Value Reduction (MVR) the investment return of the With Profits Fund is compared with the return credited to the units being cancelled. An MVR may be applied when the investment performance is less than the credited return.
A discretionary final bonus may also be added or adjusted at any time.

(ii) No allowance for the application of a Market Value Reduction has been included in column 12 of Form52.

(iii) The price of units in the Unitised With Profits Pension Fund is guaranteed never to fall.

(iv) There is a money back guarantee on the tenth anniversary of the policy. The amount guaranteed is the initial investment reduced in proportion to the number of units cancelled through withdrawals.

(v) Regular withdrawal option enables regular payments to be taken from the Bond.
For certain regular withdrawals from the Unitised With Profits Life Fund there is a guarantee not to apply either a surrender charge or a Market Value Reduction. This applies provided the withdrawal is less than 7.5% p.a. of the initial investment and this facility was set up from inception or after outset at a time when no Market Value Reduction was applying.

(b) There are no policies that provide for benefits on the basis of interest accrued.

(c) The benefits under all categories of non-linked contract are fully described by the entry in column 1 of Form 51 except for the following:

Endowment assurances

A moving house option is available on low cost endowment policies to increase the level of cover without evidence of health subject to limits defined in the policy.

Waiver of premium benefit may be effected on low cost endowment policies issued since 10 April 1996.

Certain low cost endowment policies issued since 23 November 1993 provide that, in cases of financial hardship leading to default on a mortgage loan, the surrender value will not be less than the premiums paid. The Company retains discretion in determining whether the minimum surrender payment will be made.

Endowment Assurances with critical illness and Decreasing Term Assurances with critical illness

These are endowment and decreasing term assurances whose benefits before maturity are paid on death or on the diagnosis of any specified critical illness, including permanent total disability. Policies issued since 2 January 1998 incorporate a terminal illness benefit as described below.

Waiver of premium option and moving house options and the financial hardship provision are available as for Endowment Assurances.

Economy endowment assurances

These are endowment assurances where the premiums increase by 20% per annum simple during the first five years.

Lifecover Plus assurances

These are whole life assurances issued without underwriting where the benefit on death within the first two years is restricted to the return of 115% of the premiums paid. The contract is available to lives aged 50 to 75 at the date of issue.

Term assurances

Term assurances issued since August 1995 incorporate a terminal illness benefit. This benefit provides for the payment of the full sum assured where the life assured is diagnosed as suffering from a terminal illness with a life expectancy of no greater than 12 months. This benefit does not apply in the last 18 months of the policy.

Critical illness and waiver of premium options are available for policies issued since 17 November 1999. Critical illness and waiver of premium benefits are insured by the Permanent Health Insurance Fund and death benefits are insured by the Life and Annuity Fund. Premiums and claims are directly attributed to the appropriate fund. Commission and expenses are apportioned between the funds in proportion to the respective premiums.

Certain term assurances contain options to convert to a different class of assurance before the end of the term or to extend the period of assurance without evidence of health. Additional premiums are paid for these options.

Decreasing term assurance

Critical illness and waiver of premium options are available for policies issued since 2 October 2000. Critical illness and waiver of premium benefits are insured by the Permanent Health Insurance Fund and death benefits are insured by the Life and Annuity Fund. Premiums and claims are directly attributed to the appropriate fund. Commission and expenses are apportioned between the funds in proportion to the respective premiums.

Serious illness contracts

This contract provides a lump sum on diagnosis or on death arising from cancer, stroke or heart attack. The policy is written as a 10 year term assurance. Premiums, claims and expenses are apportioned between the Life & Annuity Fund and the Permanent Health Insurance Fund in the ratio 65:35, being the estimated proportion of claims arising on death and diagnosis respectively.

This contract was not issued after 1997.

Critical illness contracts

This contract provides a lump sum on diagnosis of a specified critical illness, providing the policyholder subsequently survives for a minimum of 28 days. There is no benefit payable on death. Two versions are available: one provides a level sum assured throughout the term, the other provides a decreasing sum assured. Premiums are level throughout the term of the policy.

German term assurances

This product incorporates a terminal illness benefit. This benefit provides for the payment of the full sum assured where the life is diagnosed as suffering from a terminal illness with a life expectancy of no more than 12 months. This benefit does not apply in the last 18 months of the policy.

Temporary insurance cover is provided, subject to limits on the benefit payable defined in the policy and the exclusion of pre-existing conditions and suicide. This benefit provides cover from receipt of the application to the date of commencement of the policy, subject to a maximum of two months. No additional charge is made for this benefit.

Group Term assurance

In the case of pensions group life and group widows death in service contracts costed by unit rate, the unit rate is guaranteed for either 2 or 3 years, subject to there being no material variation in the employees or the level of benefit to be provided in accordance with the scheme rates.

Cash on retirement

These are single or regular premium pension contracts issued to employers to provide benefits under a scheme which complies with Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988.

The contracts either provide cash on retirement with no options or cash on retirement with a guaranteed annuity rate option. For contracts with the option (coded E in column 3 of Form 51), the annuity is only guaranteed at Normal Retirement Date. Guaranteed Annuity Rates can be amended by the Company for increases in annual premiums and for future single premiums.

Benefits on death prior to retirement are either nil, a return of premiums with no interest, or a return of fund. The return of fund benefit is equal to the cash sum that would have been provided under the policy on retirement at that time.

Deferred Annuity and Deferred Reversionary Annuity

These contracts are similar to cash on retirement contracts except that they provide a deferred annuity with a guaranteed cash option, which may be used to uplift the pension on retirement if annuity rates at that time are more favourable. The benefit on death prior to retirement is either nil or a return of premiums with no interest.

Permanent health insurance

Individual permanent health insurance policies effected after August 1988 have an AIDS exclusion clause and policies issued after January 1990 allow the Company to review premiums in line with its experience.

Certain contracts include benefits that increase at 3% per annum compound during each period of disability, waiver of premium benefits and partial disablement benefit. The Income Replacement Plan offers an option to increase benefits and premiums in line with the Retail Prices Index, subject to limits, and an option to provide a

lump sum on diagnosis of a specified critical illness, providing the policyholder subsequently survives for a minimum of 28 days.

With Profit Annuity

The With Profit Annuity is a conventional with-profits contract with its own bonus series, available to compulsory purchase pensions.

The client can anticipate future investment returns by selecting an anticipated growth rate, which cannot be changed once the pension has started.

Bonus rates are declared each January and all pensions are reviewed on the first instalment date after 1 February each year. The pension is first reduced by the anticipated growth rate and then increased by any reversionary bonuses. A top-up bonus may also be added. Top up bonuses can be removed at any time. The pension is guaranteed not to fall below the amount that would have been paid at the outset if a 0% anticipated growth rate had been selected.

The contract was not issued after 1 October 2000.

5 (1) Linked contracts

(a) Kaleidoscope and Kaleidoscope 1992

(b) This contract is a United Kingdom direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Regular premiums may be paid monthly or annually. Additional single premiums may also be paid.

(d) The death benefit is the greater of the bid value of units and the selected life cover. Policy reviews are carried out at defined intervals and the selected level of cover is guaranteed between reviews.

Waiver of premium benefit and permanent health benefit of up to 10 times the regular premium may be effected.

Permanent total disability benefit may be effected at the same level as the selected life cover but subject to a maximum of £250,000.

Regular increase benefit may be effected in which case the death benefit and permanent total disability benefit may be increased by up to 50% on each of the 5th and 10th policy anniversaries without evidence of health.

An HIV exclusion clause applies to waiver of premium, permanent health and permanent total disability benefits.

Annual indexation option may be effected in which case either the regular premium or the regular premium and selected life cover will increase on each policy anniversary without evidence of health. The increases are in line with the Retail Price Index subject to upper and lower limits or at a fixed rate as defined in the policy.

Special event options enable the selected life cover and permanent total disability benefit to be increased without evidence of health. The events covered are the granting of loans or additional loans on residential property occupied by the life assured, the birth or adoption of a child and on marriage. Restrictions apply to the increase in cover that may be granted under these options. All options cease at age 50.

There is an option to effect a new policy without evidence of health for an amount not greater than any reduction in selected life cover following a policy review. The option ceases at age 50.

Provided that at least 2 years premiums have been paid, one annual premium or up to 6 monthly premiums can be missed where the life assured becomes redundant or pregnant, or the policy can be converted to a paid up policy or surrendered. In these circumstances the guarantee on life cover ceases.

In the case of policies issued since 31 March 1992, premiums may be applied to purchase units in the Unitised With Profit Life Fund of this Company.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -

(i) Reduced allocation rates apply to regular premiums during the first two years of the policy.
(ii) Unit prices for internal linked funds are reduced to take into account an annual management charge of 1% per annum.
(iii) An initial charge of 5% is included in the offer price of units.
(iv) Units are cancelled each month to provide for the administration charge.
(v) The costs of selected life cover, waiver of premium and permanent health benefits, permanent total disability benefit and regular increase benefit are met by cancellation of units each month.

(g) The annual management charge can be increased to a maximum of 2.5% p.a. The administration charge may only be increased to take account of changes in earnings' inflation, administration costs and taxation.

(h) The surrender value is the bid value of allocated units less 10% of the regular premiums outstanding to the end of five years. For this purpose each increase in premium is considered separately. The same charge is made for policies becoming paid up.

(i) Benefits may be linked to up to 6 of the internal linked life funds of Norwich Union Linked Life Assurance Limited (other than the Guaranteed Fund).

(j) The Company will cancel the policy if the units allocated to the policy are insufficient to meet the administration charge. Such cancellation will not take place before any initial monetary debt has been repaid or whilst a guarantee on selected life cover applies.

(k) The contract was not open to new business on the valuation date.

(l) The administration charge was increased from £2.38 per month to £2.42 per month with effect from the 2002 policy anniversary.

(a) Lifetrack and Lifetrack 1991

(b) This contract is a United Kingdom direct written whole life assurance and is classified as life assurance and annuity business.

(c) Regular premiums may be paid monthly or annually.

(d) Benefits are payable on death or on the diagnosis of certain critical illnesses, including permanent total disability, as specified in the policy. The benefit on death or on the diagnosis of a specified critical illness, is the greater of the bid value of units and the selected life cover. Policy reviews are carried out at defined intervals and the selected level of cover is guaranteed between reviews.

Waiver of premium benefit may be effected. The benefit is subject to an HIV exclusion clause.

Annual indexation option may be effected in which case either the regular premium or the regular premium and selected life cover will increase on each policy anniversary without evidence of health. The increases are in line with the Retail Price Index subject to upper and lower limits or at a fixed rate as defined in the policy.

Increasing premium option may be effected in which case the premium and any benefits may be increased by 10% of the initial premium on each of the first 4 policy anniversaries without evidence of health.

Special event options enable the selected life cover to be increased without evidence of health on the birth or adoption of a child or on marriage. Restrictions apply to the increase in cover that may be granted. Both options cease at age 50.

The policy may be converted to a paid up policy (in which case the guarantee on life cover ceases) or surrendered after 2 years' premiums have been paid.

Premiums may be applied to purchase units in the unitised with-profit Life Fund of this Company.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as for Kaleidoscope (i) to (iv), and by the cancellation of units each month to provide for the cost of life and critical illness cover and waiver of premium benefit.

(g) The annual management charge can be increased to a maximum of 2.5% p.a. The administration charge may only be increased to take account of changes in earnings' inflation, administration costs and taxation.

(h) The surrender value is the bid value of allocated units less 10% of the regular premiums outstanding to the end of five years. For this purpose each increase in premium is considered separately. The same charge is made for policies becoming paid up.

(i) Benefits may be linked to up to 6 of the internal linked life funds of Norwich Union Linked Life Assurance Limited (other than the Guaranteed Fund).

(j) The Company will cancel the policy if the units allocated to the policy are insufficient to meet the administration charge. Such cancellation will not take place before any initial monetary debt has been repaid or whilst a guarantee on selected life cover applies.

(k) The contract was not open to new business on the valuation date.

(l) The administration charge was increased from £2.38 per month to £2.42 per month with effect from the 2002 policy anniversary.

(a) Stepping Stone (& Low Start Stepping Stone)

(b) This contract is a United Kingdom direct written endowment assurance and is classified as life assurance and general annuity business.

(c) Regular premiums may be paid monthly or annually.

Two versions of the policy are available, a level premium version (Stepping Stone) and a low start version (Low Start Stepping Stone) where premiums increase by 20% per annum for the first five years.

(d) The death benefit is the greater of the bid value of units, plus any bonus addition, and the selected life cover. Policy reviews are carried out at defined intervals and the selected level of life cover is guaranteed between reviews.

Waiver of premium benefit may be effected.

Permanent total disability benefit may be effected at the same level as the selected life cover but subject to a maximum of £250,000.

An HIV exclusion clause applies to waiver of premium and permanent total disability benefits effected after December 1988 and for permanent health benefits effected after August 1988.

There is an option to increase the life cover or extend the term of a policy, if the mortgage is increased or extended, without evidence of health. The maximum total life cover allowed is twice the life cover at the commencement of the policy. The option ceases at age 55.

On death, maturity or surrender there is a bonus addition to the bid value of units of 0.5% p.a. compound for each year that units have been held. This applies pro-rata for each month.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as for Kaleidoscope.

(g) As for Kaleidoscope.

(h) The surrender value is the bid value of allocated units, increased by any bonus described in (d).

(i) Benefits may be linked to up to 6 of the internal linked life funds of the Company (other than the Guaranteed Fund).

(j) As for Kaleidoscope.

(k) The contract was not open to new business in the year to the valuation date.

(l) The administration charge was increased from £2.27 per month to £2.31 per month with effect from the 2002 policy anniversary.

(a) Portfolio Bond

(b) This contract is a United Kingdom direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Single premiums may be paid. Additional single premiums may be paid on business written before October 1998.

(d) The death benefit is the greater of the single premium, 101% of the bid value of units and the selected life cover.

Annual indexation option may be effected in which case the selected life cover will increase on each policy anniversary without evidence of health. The increases are in line with the Retail Prices Index subject to upper and lower limits as defined in the policy.

Special event options enable the selected life cover to be increased without evidence of health on the birth or adoption of a child or on marriage without evidence of health. Restrictions apply to the increase in cover that may be provided. The options cease at age 50.

Up to 75% of premiums may be applied to purchase units in the Unitised With Profit Life Fund or, for contracts issued since 15 May 2000, the Unitised With Profit Income Fund of this Company. Higher percentages may apply from time to time.

(e) Where benefits are linked to the Life Guaranteed Fund of Norwich Union Linked Life Assurance Limited, units have a guaranteed value, on the 5th anniversary of their allocation, of their original value at the time of allocation. This guarantee only applies to units held throughout the 5 year period, and to units cancelled during that period to provide for the additional management charge. Units must be switched out of the Guaranteed Fund at the end of the 5 year period. Units cannot be switched into the Guaranteed Fund.

(f) The Company recovers its costs as follows: -

(i) Unit prices for internal linked funds are reduced to take into account an annual management charge of 1.00% per annum (1.25% per annum in the case of the Guaranteed Fund).

(ii) Units are cancelled at the end of each of the first 5 policy years to provide for an additional management charge. The charge is 0.50% (1.00% for premiums of less than £10,000) of the fund value.

(iii) The cost of selected life cover is met by the cancellation of units each month.
For investments in excess of £50,000, the allocation rate is 101.5%, with higher rates applying during special offer periods. Because there is no initial charge included in the offer price of units, more than 100% of the premium is deemed to be invested. The excess is recouped during the first five years or on earlier surrender.

(g) The annual management charge can be increased to a maximum of 2.5% p.a. (2.75% p.a. in the case of the Life Guaranteed Fund).

(h) The surrender value is equal to the bid value of units less an early redemption charge in the case of surrenders during the first 5 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the amount withdrawn that exceeds 10% according to the following scale:

Year	Charge
1 - 3	5%
4	3%
5	1%

(i) Benefits may be linked to up to 6 of the internal linked funds of Norwich Union Linked Life Assurance Limited, including the Guaranteed Fund.

(j) The Company will cancel the policy if the units allocated to the policy are insufficient to meet the charge for selected life cover.

(k) The contract was not open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) Irish Portfolio Bond

(b) This contract is an overseas direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Single premiums may be paid.

(d) The death benefit is the greater of the single premium and 101% of the bid value of units.

Up to 100% of premiums may be applied to purchase units in the Irish Unitised With Profit Fund of this Company subject to a maximum of 500,000 Irish punts per person.

(e) Where benefits are linked to the Irish Guaranteed Fund of Norwich Union Linked Life Assurance Limited, units have a guaranteed value, on the 5th anniversary of their allocation, of their original value at the time of allocation. The guarantee only applies to units held throughout the 5 year period, and to units cancelled during that period to provide for the additional management charge. Units must be switched out of the Guaranteed Fund at the end of the 5 year period. Units cannot be switched into the Irish Guaranteed Fund.

(f) The Company recovers its costs as follows: -

(i) Unit prices for internal linked funds are reduced to take into account an annual management charge of 1.00% per annum (1.25% per annum in the case of the Guaranteed Fund).

(ii) Units are cancelled at the end of each month for the first 5 policy years to provide for an additional management charge. The charge is 0.50% (1.00% for premiums of less than £10,000) of the fund value.

For policyholders under 75, the allocation rate is 100%, increasing to 100.5% for investments in excess of £50,000. For policyholders over 75, the allocation rate is 99% increasing to 100% for investments in excess of £50,000.

(g) The annual management charge can be increased to a maximum of 2.5% p.a. (2.75% p.a. in the case of the Life Guaranteed Fund).

(h) The surrender value is equal to the bid value of units less an early redemption charge in the case of surrenders during the first 5 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the amount withdrawn that exceeds 10% according to the following scale:

Year	Charge
1 - 3	5%
4	3%
5	1%

(i) Benefits may be linked to the Irish unitised with profit fund, the guaranteed fund or one or more of our internal linked funds of Norwich Union Linked Life Assurance Limited, up to a maximum of six.

(j) No other features are material to the method or basis of valuation.

(k) The contract was not open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) Irish Ulster Bank Bond

(b) This contract is an overseas direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Single premiums may be paid.

(d) The death benefit is the greater of the single premium and 101% of the bid value of units.

(e) Benefits are linked to the Ulster Bank Protected Bond Fund of Norwich Union Linked Life Assurance Limited, where units have a guaranteed value, on the 5th anniversary of their allocation, of their original value at the time of allocation. The guarantee only applies to units held throughout the 5 year period, and to units cancelled during that period to provide for the additional management charge. New funds will be created before the fifth anniversary of the product's launch. Units must be switched out of the fund at the end of the 5 year period. Units cannot be switched into the Ulster Bank Protected Fund.

(f) The Company recovers its costs as follows :-

(i) Unit prices for internal linked funds are reduced to take into account an annual management charge of 1.50% per annum.

(ii) Units are cancelled at the end of each month for the first 5 policy years to provide for an additional management charge. The charge is 0.50% (1.00% for premiums of less than £10,000) of the fund value.

For policyholders under 75, the allocation rate is 100%, increasing to 100.5% for investments in excess of £50,000. For policyholders over 75, the allocation rate is 99% increasing to 100% for investments in excess of £50,000.

(g) The annual management charge can be increased to a maximum of 2.75% p.a.

(h) The surrender value is equal to the bid value of units.

(i) Benefits may be linked to the Ulster Bank Protected Bond Fund of Norwich Union Linked Life Assurance Limited.

(j) No other features are material to the method or basis of valuation.

(k) The contract was not open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) **Homemaker Plus**

(b) This contract is a United Kingdom direct written endowment assurance and is classified as life assurance and general annuity business.

(c) Regular premiums may be paid monthly or annually.

(d) On maturity, the bid value of the units attaching to the policy at the end of the term increased for any final bonus on the bid value of units held in the unitised with profit fund, will be paid.

The death benefit is the greater of the bid value of units and the selected life cover plus any applicable final bonus.

A critical illness benefit may be selected, which can be greater than the policyholder's existing death benefit on the policy.

The critical illness benefit is payable other than within the 18 months prior to the maturity date in the event of the life assured being diagnosed as having no more than 12 months life expectancy.

A waiver of premium benefit may be selected.

(e) There are no guaranteed investment returns.

(f) The company recovers its costs as follows :-
(i) Level allocation rates apply to each premium throughout the term.
(ii) Unit prices for internal linked funds are reduced to take account of an annual management charge of 0.75% per annum.
(iii) An initial charge of 5% is included in the offer price of units.
(iv) Units are cancelled each month to provide for the administration charge.
(v) The costs of the selected life cover, critical illness cover and waiver of premium benefit are covered by cancellation of units each month.

(g) The annual management charge can be increased up to a maximum of 2.5% p.a. The administration charge may only be increased to take account of changes in earnings' inflation, administration costs and taxation.

(h) The current value is the bid value of allocated units plus any final bonus on units held in the unitised with-profit fund less any market value adjustment on unitised with profits units held.

(i) Benefits may be linked to the internal linked funds of Norwich Union Linked Life Assurance Limited (excluding the Guaranteed Fund) and the unitised with-profits fund, with a maximum of six links at any one time.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was not open to new business on the valuation date.

(l) The administration charge was increased from £1.03 per month to £1.05 per month with effect from the 2002 policy anniversary.

(a) **Investment Bond**

(b) This contract is a United Kingdom direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Single premiums and additional single premiums may be paid.

(d) The death benefit is the same as for the Portfolio Bond except that for policies issued prior to August 1994, the benefit is the greater of the bid value of units and the selected life cover.

Annual indexation and special event options are available as for the Portfolio Bond.

Premiums may be applied to purchase units in the Unitised With Profit Life Fund of this Company. For policies issued since 15 March 1993, a maximum of 60% of the premium may be so invested, apart from special maxima available from time to time.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -
(i) An initial charge of 5% is included in the offer price of units.
(ii) Unit prices for internal linked funds are reduced to take into account an annual management charge of 1% per annum.
(iii) The cost of selected life cover is met by the cancellation of units.

(g) There are no restrictions on increases in charges.

(h) The benefit on surrender is determined as for the Portfolio Bond except that the scale of early redemption charges extends over 4 years (3 years for policies issued prior to 22 June 1992) and the maximum charge is 3% of the amount withdrawn.

(i) Benefits may be linked to up to 6 of the internal linked life funds of Norwich Union Linked Life Assurance Limited (other than the Guaranteed Fund).

(j) The Company will cancel the policy if the units allocated to the policy are insufficient to meet the charge for selected life cover.

(k) The contract was not open to new business.

(l) There were no increases in charges during the report period.

(a) Multi-Portfolio

(b) This contract is an overseas direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Single premiums and additional single premiums may be paid.

(d) Benefits are denominated in French francs.

The death benefit is 101% of the fund value of the units.

Premiums may be applied to purchase units in the Valeur Plus fund of this Company.

At any time after the first 8 years the fund value may be used to purchase a non-profit annuity at rates applicable at time of purchase.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -
(i) Allocation rates of less than 100% apply to all contributions.
(ii) Fund management charges of 1.00% are applied to all funds and are taken by cancellation of units.
(iii) Fund based commission is paid by the external fund managers.

(g) The charges cannot be increased.

(h) The surrender value is the value of the allocated units.

(i) Benefits may be linked to any six of the eight internally linked French funds of GA Vie or the French Cash Fund of this Company.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) Multi-Portfolio Retraite

(b) This contract is an overseas direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Regular premium may be paid monthly or annually for a minimum of 8 years. Additional single premiums may be paid.

(d) Benefits are denominated in French francs.

The death benefit is 101% of the fund value of the units.

Premiums may be applied to purchase units in the Valeur Plus fund of this Company.

An annual indexation option may be effected at any time in which case premiums will increase on each subsequent policy anniversary. The amount of increase is a fixed percentage rate chosen by the client from a range offered.

At any time after the regular premium payment term the fund value may be used to purchase a non-profit annuity at rates applicable at time of purchase.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -
(i) Reduced allocation rates apply to regular premiums during the first two years of the policy and to additional single premiums.
(ii) Fund management charges of 1.00% are applied to all funds and are taken by cancellation of units.

(g) The charges cannot be increased.

(h) The surrender value is the bid value of the allocated units less 5% of premiums outstanding to the end of ¾ of the premium term.

(i) Benefits may be linked to any six of the eight internally linked French funds of GA Vie or the French Cash Fund of this Company.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) Not applicable.

(a) German GALA

(b) This contract is an overseas direct written endowment assurance and is classified as life assurance and general annuity business.

(c) Regular premium may be paid monthly or annually.

(d) Benefits are denominated in Deutschmarks.

Temporary insurance cover is given on the same basis of the German Term Assurance.

The death benefit is the selected life cover, expressed in terms of total premiums payable, subject to a minimum of 105% of the bid value of units.

Waiver of premium and sickness/disability benefits may be effected. Sickness/disability benefits are subject to maxima and minima specified in the policy.

Annual Indexation Option may be effect in which case contributions, sum assured and disability benefit may be indexed on each policy anniversary without evidence of health. The increases in contributions are in line with a German Social Security Index, or at a fixed rate of 5%.

Premium holidays of up to six months are allowed at the discretion of the Company.

The policy may be made paid up at any time, subject to a minimum value of units.

The maturity value is the bid value of units.

At the end of the term, the accumulated fund may be left with the Company for a maximum of five years without evidence of health. The sum assured in force at the end of the term will continue, but any disability benefits will cease.

Premiums may be applied to purchase units in the German Unitised With Profit Fund of this Company.

(e) To the extent that premiums are invested in the German Unitised With Profit Fund, the benefits on death or maturity will not be less than those which would be available based on a fund growth rate of 3% per annum.

(f) The Company recovers its costs as follows: -

(i) Reduced allocation rates apply to regular premiums during the first two years of the policy.

(ii) Fund management charges of 1.00% are applied to all internal linked funds and are reflected in the unit price.

(iii) An initial charge of 3% is included in the offer price of units.

(iv) Units are cancelled each month to provide for the administration charge. The administration charge is currently DM8 per month.

(v) The costs of selected life cover, waiver of premium, and sickness/disability benefits are met by cancellation of units each month.

(g) The bid/offer spread cannot be increased.

Fund management charges and monthly administration charges may be increased with reference to the company's experience.

Mortality charges may be varied subject to different maxima for smokers and non-smokers based on standard German mortality tables.

(h) The surrender value is the bid value of units less a surrender penalty based on the duration in force of the policy.

(i) Benefits may be linked to any of the six internally linked German funds of Norwich Union Linked Life Assurance Limited.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was not open to new business on the valuation date.

(l) Not applicable.

(a) **German DIVA**

(b) This contract is an overseas direct written pension plan, classified as life assurance and general annuity business.

(c) Regular premiums may be paid monthly, quarterly, half-yearly or annually.

(d) Benefits are denominated in Deutschmarks.

Temporary insurance cover is given on the same basis of the German Term Assurance.

The death benefit is the selected life cover, expressed in terms of total premiums payable, subject to a minimum of 105% of the bid value of units.

Waiver of premium and sickness/disability benefits may be effected. Sickness/disability benefits are subject to maxima and minima specified in the policy.

Annual Indexation Option may be effected, in which case contributions, sum assured and disability benefit may be indexed on each policy anniversary without evidence of health. The increases in contributions are at a fixed amount chosen by the policyholder within limits specified in the policy.

Premium holidays of up to six months (three years in the case of maternity leave, military service or unemployment) are allowed.

The policy may be made paid up, subject to certain legislative conditions.

The benefit on retirement is the bid value of units.

Premiums may be applied to purchase units in the German Unitised With Profit Fund of this Company.

(e) To the extent that premiums are invested in the German Unitised With Profit Fund, the benefits on death or maturity will not be less than those which would be available based on a fund growth rate of 3% per annum.

(f) The Company recovers its costs as follows: -
- (i) Reduced allocation rates apply to premiums paid during the first two years of the policy.
- (ii) Fund management charges of 1.00% are applied to all internal linked funds and are reflected in the unit price.
- (iii) An initial charge of 3% is included in the offer price of units.
- (iv) Units are cancelled each month to provide for the administration charge. The administration charge is currently DM8 per month.
- (v) The costs of selected life cover, waiver of premium, and sickness/disability benefits are met by cancellation of units each month.

(g) The bid/offer spread cannot be increased.

Fund management charges and monthly administration charges may be increased with reference to the company's experience.

Mortality charges may be varied subject to different maxima for smokers and non-smokers based on standard German mortality tables.

(h) The surrender value is the bid value of units.

(i) Benefits may be linked to any of the six internally linked German funds of Norwich Union Linked Life Assurance Limited.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was not open to new business on the valuation date.

(l) Not applicable.

(a) Swedish Personal Investment Plan Single

(b) This contract is an overseas direct written endowment assurance, classified as life assurance and general annuity business.

(c) Single premiums may be paid.

(d) The benefit at the end of the term is the accumulated fund value.

The death benefit is 101% of the accumulated fund value.

Premiums may be applied to purchase units in the Unitised With Profit Pension fund of this Company.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -
- (i) A reduced allocation rates applies to single premiums of less than £10,000.
- (ii) Fund management charges of 1.25% are applied to all internal linked funds and are reflected in the unit price.
- (iii) Units are cancelled at the end of each month to provide for an additional management charge. The charge is 1.0% per annum of the fund value.

(g) The annual management charge may be increased to a maximum of 2.5% p.a.

(h) The surrender value is equal to the bid value of units less an early redemption charge in the case of surrenders during the first 5 years of the policy. The charge applies where the amount surrendered in any 12-month period exceeds 10% of the initial investment and is applied to the full amount withdrawn that exceeds 10% according to the following scale:

Year	Charge
1 – 3	6%
4	4%
5	2%

(i) Benefits may be linked to any of the six internally linked Swedish funds of Norwich Union Linked Life Assurance Limited.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) Not applicable.

(a) Swedish Personal Investment Plan Regular

(b) This contract is an overseas direct written endowment assurance, classified as life assurance and general annuity business.

(c) Regular premiums may be paid.

(d) The benefit at the end of the term is the accumulated fund value.

The death benefit is 101% of the accumulated fund value.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -

(i) A reduced allocation rate applies to each premium for the first five years.
(ii) Fund management charges of 1.25% are applied to all internal linked funds and are reflected in the unit price.
(iii) Units are cancelled at the end of each month to provide for an additional management charge of 0.5% per annum of the fund value.
(iv) Units are cancelled each month to provide for the administration charge.

(g) As Kaleidoscope

(h) The surrender value is equal to the bid value of units less an early redemption charge. This is calculated as 7% of the premiums outstanding until the maturity of the policy.

(i) Not Applicable.

(j) No other features are material to the method or basis of valuation.

(k) The contract was open to new business on the valuation date.

(l) The administration charge was increased from £3.17 per month to £3.22 per month with effect from the 2002 policy anniversary.

(a) Equity Endowment Assurance

(b) This is a United Kingdom direct written endowment assurance contract and is classified as life assurance and general annuity business.

(c) Regular premiums are payable monthly.

(d) The benefit on maturity or earlier death is the bid price value of units deemed to have been purchased less an allowance for the potential liability to capital gains tax, or the total premiums payable under the contract if this is greater.

(e) The benefit on maturity is not less than the total premiums paid.

(f) The Company recovers its costs by means of reduced allocation rates throughout the term of the contract.

(g) There are no charges.

(h) The surrender value is the bid value of units less an allowance for the potential liability to capital gains tax.

(i) The benefits are linked to units in the UK Income and Growth OEIC.

(j) No other features are material to the method or basis of valuation.

(k) The contract was not open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) **Personal Pension Scheme**

(b) This is a directly written deferred annuity contract. The contract is either written in the United Kingdom in which case it is included as United Kingdom pension business, or in Jersey and Guernsey, in which case it is included as overseas life and general annuity business.

(c) Regular premiums can be paid monthly or annually. Single premiums, transfer values and Department of Social Security contributions may be paid into the scheme.

(d) The benefit at the selected pension date is the bid value of units. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The benefit on death before retirement is the greater of the bid value of units plus any loyalty bonus and any selected life cover.

For policies issued since 5 July 1995, regular premiums may be applied using level allocation rates rather than using reduced allocation rates during the first 2 years. This allocation choice is known as Option 2. For policies issued since October 1998 two level allocation variants have been available known as the Lifestyler Basis and the Optimiser Basis.

A loyalty bonus will be available on policies issued since 1 January 1993 except in the case of benefits purchased by regular premiums under either Option 2 or the Lifestyler basis as follows: -

(i) For single premium investments prior to 4 October 1999, bonus units will be added on the 11th and subsequent anniversaries since payment. The number of bonus units added will be 0.5% (0.25% in the case of Lifestyler and Optimiser Basis) of the number of units allocated.

(ii) For regular premium investments on Optimiser Basis policies a bonus will be payable when premiums have been paid for 10 years. The bonus payable is 0.5% of the fund value at the date of claim for each complete year that such premiums have been paid.

(iii) For other regular premium investments, bonus units will be added on the 11th and subsequent anniversaries since such premiums commenced. The number of bonus units added will be 0.5% of the number of units which have been allocated to the policy for a continuous period of more than 10 years, plus 0.5% of the number of units purchased by regular contributions and/or DSS minimum contributions which were paid throughout the 10 year period prior to the relevant policy anniversary date.

Waiver of premium benefit may be effected. The benefit is subject to an HIV exclusion clause.

Annual indexation option may be effected in which case the regular premium will increase on each policy anniversary without evidence of health. The increases are in line with National Average Earnings subject to upper and lower limits.

In the case of group arrangements with an employer, where contributions are expressed as a level percentage of earnings, annual indexation option is not available. Waiver of premium benefit and life cover of up to 25 times the yearly contribution may be available without evidence of health.

Regular contributions may be reduced or stopped at any time without penalty. Contributions may be restarted at any time.

Premiums may be applied to purchase units in the Unitised With Profit Pension fund of this Company.

(e) Units in the Pension Assured Fund have a guaranteed price of £1 at the selected pension date or on death.

(f) The Company recovers its costs as follows: -

(i) Reduced allocation rates apply to regular premiums during the first two years of the policy except in the case of Option 2, Lifestyler and Optimiser policies.

(ii) Allocation rates during the first two years for increments effected since 26 March 1999 on pre 5 July 1995 policies and Option 1 policies have been increased to at least 95%. Allocation rates from year three onwards have been reduced to at least 96%.

(iii) In the case of Option 2, Lifestyler and Optimiser policies, reduced allocation rates apply to all regular contributions.

(iv) An initial administration charge is payable for policies issued since 1 January 1993 except in the case of Option 2, Lifestyler and Optimiser policies.

(v) An initial charge of 5% is included in the offer price of units.

(vi) Unit prices for internal linked funds are reduced to take into account an annual management charge of 0.625% per annum (1% per annum in the case of policies issued prior to October 1998). An additional annual management charge of 0.25% per annum is made in the case of the Pension Assured Fund. For Optimiser Basis policies there is an additional plan management charge of 0.375% a year of fund value deducted by cancellation of units.

(vii) Units are cancelled each month to provide for the administration charge.

(viii) The costs of selected life cover and waiver of premium benefit are met by the cancellation of units each month.

(g) The annual management charge can be increased. The administration charge may be increased to take account of changes in earnings' inflation, administration costs and taxation. The Company has however announced that future charges (other than the additional management charge for investments in the Pension Assured Fund and the additional plan management charge), will not exceed 1% per annum from 6 April 2001.

(h) The benefit on early encashment is the bid value of units, subject in the case of single premiums and transfer values paid between 1 January 1993 and 1 October 1999, to an early encashment penalty. The penalty is 0.5% of the contribution for each year outstanding to the end of 10 years after the contribution was made for policies written before October 1998 and 0.5% of the fund for each year outstanding to the end of 10 years after the contribution was made for policies written after October 1998.

(i) Benefits may be linked to up to six of the internal linked pension funds of Norwich Union Linked Life Assurance Limited, including the Pension Assured Fund but excluding the Pensions Guaranteed Fund, except in the case of the Jersey and Guernsey version written before October 1998 where benefits may only be linked to the Pension Managed and Pension All Share Tracker Funds.

(j) The Company will cancel the contract if the units allocated to the policy are insufficient to meet the administration charge.

(k) The contract was not open to new business on the valuation date.

(l) The administration charge was increased from £2.69 per month to £2.73 per month (from £3.58 per month to £3.64 per month for Option 2 policies) with effect from the 2002 policy anniversary. The annual administration charge for group arrangements effected prior to 1 January 1993, was increased from £1.35 per month to £1.37 per month on the policy anniversary in 2002.

(a) Free Standing AVC Plan

(b) This is a directly written United Kingdom deferred annuity contract and is classified as pension business.

(c) Regular premiums can be paid monthly or annually. Single premiums and transfer values may also be paid.

(d) This contract provides benefits under a free standing Additional Voluntary Contribution Scheme.

The benefit at the selected pension date is the bid value of units. The benefit on death before retirement is the greater of the bid value of units and the selected life cover.

Loyalty bonus is payable as for the Personal Pension Scheme.

Annual indexation option may be effected as for the Personal Pension Scheme.

Regular contributions may be stopped at any time without penalty and may be restarted at any time.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of this Company.

(e) As for Personal Pension Scheme.

(f) As for Personal Pension Scheme.

(g) As for Personal Pension Scheme.

(h) As for Personal Pension Scheme.

(i) As for UK Personal Pension Scheme.

(j) As for Personal Pension Scheme.

(k) The contract was not open to new business on the valuation date.

(l) As for Personal Pension Scheme.

(a) **Executive Pension Plan**

(b) This is a directly written United Kingdom deferred annuity contract and is classified as pension business.

(c) Regular premiums can be paid monthly or annually. Single premiums and transfer values may also be paid.

(d) The benefit at the selected pension date is the bid value of units. The benefit on death before retirement is the greater of the bid value of units and the selected life cover.

Loyalty bonus is payable as for the Personal Pension Scheme.

Contributions may be expressed as a percentage of salary. Where selected life cover is related to salary, selected life cover may be increased by up to 10% per annum on each of the first 5 renewal dates without evidence of health subject to age and maximum cover restrictions.

Regular contributions may be stopped and restarted as described under the Personal Pension Scheme.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of this Company.

(e) As for Personal Pension Scheme.

(f) As for Personal Pension Scheme.

(g) As for Personal Pension Scheme.

(h) As for Personal Pension Scheme.

(i) As for UK Personal Pension Scheme.

(j) As for Personal Pension Scheme.

(k) The contract was not open to new business on the valuation date.

(l) As for Personal Pension Scheme.

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31 December 2002**

(a) Group Pension Investment Bond

(b) This is a direct written investment contract. The contract is either written in the United Kingdom in which case it is included as pension business, or in Jersey and Guernsey, in which case it is included as overseas life and general annuity business.

(c) Single premiums are payable.

(d) The contract provides non-earmarked benefits to Trustees of occupational pension schemes. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of this Company.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -
(i) An initial charge of 5% is included in the offer price of units.
(ii) Unit prices for internal linked funds are reduced to take into account an annual management charge of 1% per annum.

(g) The annual management charge can be increased up to a maximum of 2.5% per annum.

(h) The benefit on surrender is the bid value of units less an early redemption charge in the case of surrenders during the first 4 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the full amount withdrawn according to the following scale:

Year	Charge
1	3%
2	3%
3	2%
4	1%

(i) Benefits may be linked to up to 6 of the internal linked pension funds of Norwich Union Linked Life Assurance Limited, excluding the Pension Guaranteed Fund and the Pensions Assured Fund, except in the case of the Jersey and Guernsey version where benefits may only be linked to the Pension Managed and Pension All Share Tracker Funds.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was not open to new business on the valuation date.

(l) There were no increases in the rates of charges.

(a) Trustee Investment Plan (written on or after 8 December 1997)

(b) This is a direct written investment contract. The contract is either written in the United Kingdom in which case it is included as pension business, or in Jersey and Guernsey, in which case it is included as overseas life and general annuity business. In either event, it is incorporated with Group Pension Investment Bond.

(c) Single premiums are payable.

(d) The contract provides non-earmarked benefits to Trustees of occupational pension schemes. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of this Company.

The contract provides a bonus of 0.5% of the value of the fund on the sixth and subsequent policy anniversaries.

(e) On the fifth anniversary of the plan, the value of units in the Pension Guaranteed Fund is guaranteed to be not less than the original investment in the fund. For investments in the Pension Assured Fund, a selected date is chosen by the policyholder (not less than 10 years from commencement) at which point the units have a guaranteed price of £1.

(f) The Company recovers its costs as follows: -

(i) Unit prices for internal linked funds are reduced to take into account an annual management charge of 0.625% per annum (1% per annum in the case of policies issued prior to October 1998). An additional annual management charge of 0.25% per annum is made in the case of the Pension Guaranteed Fund and the Pension Assured Fund.

(ii) Units are cancelled at the end of each of the first 5 policy years to provide for a plan management charge. The charge is 0.75% of the fund value.

(g) The annual management charge can be increased up to a maximum of 2.5% per annum.

(i) The benefit on surrender is the bid value of units less an early redemption charge in the case of surrenders during the first 5 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the full amount withdrawn according to the following scale:

Year	Charge
1	7.5%
2	6.0%
3	4.5%
4	3.0%
5	1.5%

(i) Benefits may be linked to up to 6 of the internal linked pension funds of Norwich Union Linked Life Assurance Limited, including the Pension Guaranteed Fund and Pension Assured Fund, except in the case of the Jersey and Guernsey version where benefits may only be linked to the Pension Managed and Pension All Share Tracker Funds.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was not open to new business on the valuation date.

(l) There were no increases in the rates of charges.

(a) Self Invested Pension Plan

(b) This contract is a United Kingdom direct written investment contract which complies with Chapter IV Part XIV of the Income and Corporation Taxes Act 1988, and is classified as pensions business.

(c) Single contributions and additional single contributions may be paid.

(d) The contract provides non-earmarked benefits to Trustees of self invested personal pension schemes. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of this Company.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -

(i) An initial charge of 5% is included in the offer price of units.

(ii) Unit prices for internal linked funds are reduced to take into account an annual management charge of 0.625% per annum. (1.0% per annum in the case of policies issued prior to October 1998).

(g) The annual management charge can be increased up to a maximum of 2.5% per annum.

(h) The benefit on surrender is the bid value of units less an early redemption charge in the case of surrenders during the first 4 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the full amount withdrawn according to the following scale:

Year	Charge
1	3%
2	3%
3	2%
4	1%

(i) Benefits may be linked to up to 6 of the internal linked pension funds of Norwich Union Linked Life Assurance Limited, excluding the Guaranteed Fund, except in the case of the Jersey and Guernsey version where benefits may only be linked to the Pension Managed and Pension All Share Tracker Funds.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was not open to new business on the valuation date.

(l) There were no increases in the rate of charges.

(a) **Pension Transfer Plan**

(b) This contract is a United Kingdom direct written deferred annuity contract, which complies with section 591(2)(g) of the Income and Corporation Taxes Act 1988. It is classified as pensions business.

(c) Transfer values may be paid. No additional payments are allowed.

(d) Accrued rights to Guaranteed Minimum Pensions, subject to fixed rate or limited rate revaluation, may be transferred into the plan. In such cases, the Company specifies a minimum premium that must be invested in the Unitised With Profit Pension Fund. The benefits at State Pension Age are guaranteed to be sufficient to secure such rights.

The benefit on retirement is equal to the bid value of units.

The benefit on death is the bid value of units.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -

(i) An initial charge of 5% is included in the offer price of units.

(ii) Unit prices for internal linked funds are reduced to take into account an annual management charge of 0.625% per annum. (1.0% per annum in the case of policies issued prior to October 1998).

(iii) There is an administration charge of £75.00 deducted at the commencement date.

(g) As for Group Pension Investment Bond.

(h) The benefit on early encashment is the bid value of units less a charge equal to 0.5% for each year outstanding to the end of the tenth year after commencement, or the normal retirement date if earlier.

(i) Premiums may be invested in the Unitised With Profit Pensions Fund or in the internal linked pension funds of Norwich Union Linked Life, excluding the Pension Guaranteed Fund.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was not open to new business on the valuation date.

(l) There were no increases in the rate of charges.

(a) Flexible Retirement Plan

(b) This is a United Kingdom direct written deferred annuity contract and is classified as pension business.

(c) Single premiums or transfer values may be paid into the plan.

(d) The contract provides for phased retirement by means of income withdrawals within Inland Revenue limits. Premiums may be split between income and growth versions. Regular income can be taken from the income version by cancellation of units, but no withdrawals can be taken from the growth version. Investments can be switched from the growth version to the income version and a tax free cash sum may be taken at that time (subject to Inland Revenue limits).

Units must be encashed by age 75 at the latest and the proceeds applied to purchase a compulsory purchase annuity at the annuity rates then prevailing.

On death prior to encashment, the bid value of units is payable. As an alternative, the policy may continue to be used to provide income withdrawals to a surviving spouse or dependent.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of this Company.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows: -

(i) Unit prices for internal linked funds are reduced to take into account an annual management charge of 0.625% per annum (1.0% per annum in the case of policies issued prior to October 1998).

(ii) A plan management charge of 0.5% per annum is levied during the first 3 years of the policy through cancellation of units. The charge is applied to the fund value at the end of the policy year.

(g) The annual management charge can be increased to a maximum of 2.5% p.a.

(h) The benefit on surrender is the bid value of units less an early redemption charge in the case of surrenders during the first 4 years of the policy. The charge is applied to the bid value of units using the same scale as for the Group Pension Investment Bond. The charge is not applied in the case of income withdrawals.

(i) Benefits may be linked to up to 6 of the internal linked pension funds of Norwich Union Linked Life Assurance Limited, excluding the Pension Guaranteed Fund and the Pension Assured Fund, except in the case of the Jersey and Guernsey version where benefits may only be linked to the Pension Managed and Pension All Share Tracker Funds.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was not open to new business on the valuation date.

(l) There were no increases in the rate of charges.

(a) International Investment Plan and NU International Investment Plan

(b) This is a direct written deferred annuity contract issued in Jersey and is classified as overseas life and general annuity business.

(c) Regular premiums may be paid monthly or annually; single premiums may also be paid.

(d) The benefit on death is 101% of the bid value of units except for policies issued prior to 14 July 1995 where the benefit is equal to the bid value of units.

Up to 60% of premiums may be invested in the Unitised With Profit Pension Pension Fund of this Company.

(e) There are no guaranteed investment returns.

(f) The Company recover its costs as for Kaleidoscope (i) to (iv) except that the annual management charge for policies issued since October 1999 is 0.625% per annum.

(g) As for Kaleidoscope.

(j) The benefit on surrender is equal to the bid value of units less an early redemption charge in the case of surrenders during the first 3 years of the policy. The charge applies to benefits secured by single premiums where the amount surrendered exceeds 10% of the initial investment and is applied to the full amount withdrawn according to the following scale:

Year	Charge
1	3%
2	2%
3	1%

For policies issued since October 1998, the redemption charge on benefits secured by regular premiums is 7.5% of outstanding premiums to the third policy anniversary.

(i) Benefits may be linked to the Pensions Managed and Pension All Share Tracker funds that are internal linked funds of Norwich Union Linked Life Assurance Limited. For policies issued since October 1998, benefits may be linked to up to 6 of the internal linked pension funds of Norwich Union Linked Life Assurance Limited.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) The administration charge was increased from £2.69 per month to £2.73 per month with effect from the 2002 policy anniversary.

(a) **GA Group Money Purchase Scheme**

(b) This contract is a United Kingdom direct written group deferred annuity and is classified as pensions business.

(c) Regular premiums may be paid monthly or annually and must be expressed as a level percentage of salary. Single premiums and transfer values may also be paid.

(d) The benefit on retirement is equal to the bid value of units.

The benefit on death is the bid value of units. Additional death benefits may be effected for an additional premium. An element of free cover may be provided.

A loyalty bonus is payable as described under Personal Pension.

Premiums may be invested in the Unitised With Profit Pension Fund.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as for Kaleidoscope (i) to (iv) except that the annual management charge for policies issued since October 1998 is 0.625% per annum.

(g) As for Kaleidoscope.

(h) As for Personal Pension.

(i) Benefits may be linked to up to 6 of the internal linked pension funds of Norwich Union Linked Life Assurance Limited, excluding the Pension Assured Fund and the Pension Guaranteed Fund.

(j) As for Personal Pension.

(k) The contract was not open to new business to existing schemes on the valuation date.

(l) The administration charge was increased from £2.69 per month to £2.73 per month with effect from the 2002 policy anniversary.

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31 December 2002**

(a) Irish Portfolio Pension

(b) This is a directly written deferred annuity contract, written in Ireland and is classified as overseas life and general annuity business.

(c) Regular premiums can be paid monthly or annually. Single premiums and transfer values may be paid into the scheme.

(d) The benefit at the selected pension date is the bid value of units. The cash sum may be paid out as cash within Revenue Commission limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The benefit on death before retirement is the greater of the bid value of units plus any loyalty bonus and any selected life cover. Additional life cover may be arranged.

A loyalty bonus will be payable on policies as follows :-

(i) For single premium investments, bonus units will be added on the 11th and subsequent anniversaries since payment. The number of bonus units added will be 0.5% of fund value each year.

(ii) For regular premium investments a bonus will be payable when premiums have been paid for a cumulative period of 10 years or more. The bonus payable is 0.75% of the fund value at the date of claim for each complete year that such premiums have been paid.

Waiver of premium benefit may be effected. The benefit is subject to an HIV exclusion clause.

Annual indexation option may be effected in which case the regular premium will increase on each policy anniversary without evidence of health. The increases are in line with National Average Earnings subject to upper and lower limits.

In the case of group arrangements with an employer, where contributions are expressed as a level percentage of earnings, annual indexation option is not available. Waiver of premium benefit and life cover of up to 25 times the yearly contribution may be available without evidence of health.

Regular contributions may be reduced or stopped at any time without penalty. Contributions may be restarted at any time.

Premiums may be applied to purchase units in the Irish Unitised With Profit Pension fund of this Company.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows :-

(i) There is an establishment fee if the arrangement commences with a single contribution only.

(ii) Reduced allocation rates apply to all regular contributions. The allocation for single contributions depends on the size and term to selected pension age.

(iii) Unit prices for internal linked funds are reduced to take into account an annual management charge of 1% per annum.

(iv) Units are cancelled each month to provide for the administration charge for regular contributions.

(v) The costs of selected life cover and waiver of premium benefit are met by the cancellation of units each month.

(g) The annual management charge can be increased to a maximum of 2.5% p.a. The administration charge may be increased to take account of changes in earnings' inflation, administration costs and taxation.

(h) The benefit on early encashment is the bid value of units, subject in the case of single premiums and transfer values to an early encashment penalty. The penalty is 7.5% of the fund reducing by 0.75% for each completed year up to the tenth anniversary.

(i) Benefits may be linked to the Irish unitised with profit fund or one or more of our internal linked funds of Norwich Union Linked Life Assurance Limited from the following list up to a maximum of six:- Irish Equity, Managed, European Equity, Cash, Fixed Interest and Euro Safety Net

(j) The contract will be cancelled by the Company if the units allocated to the policy are insufficient to meet the administration charge.

(k) The contract was not open to new business on the valuation date.

(l) The administration charge was increased from IR£3.25 per month to IR£3.39 per month with effect from the 2002 policy anniversary. The reduced administration charge, where regular premiums have ceased, was increased from IR£2.16 per month to IR£2.25 per month with effect from the 2002 policy anniversary.

(a) Irish Executive Portfolio Pension

(b) This is a directly written deferred annuity contract written in Ireland and is classified as life and general annuity business.

(c) Regular premiums can be paid monthly or annually. Single premiums and transfer values may also be paid.

(d) The benefit at the selected pension date is the bid value of units. The benefit on death before retirement is the greater of the bid value of units and the selected life cover.

Loyalty bonus is payable as for the Irish Portfolio Pension.

Contributions may be expressed as a percentage of salary. Where selected life cover is related to salary, selected life cover may be increased by up to 10% per annum on each of the first 5 renewal dates without evidence of health subject to age and maximum cover restrictions.

Regular contributions may be stopped and restarted as described under the Irish Portfolio Pension.

Premiums may be applied to purchase units in the Irish Unitised With Profit Pension Fund of this Company.

(e) As for Irish Portfolio Pension.

(f) As for Irish Portfolio Pension Scheme.

(g) As for Irish Portfolio Pension Scheme.

(h) As for Irish Portfolio Pension Scheme.

(k) As for Irish Portfolio Pension, except for the Euro Safety Net Fund.

(j) As for Irish Portfolio Pension Scheme.

(k) The contract was not open to new business on the valuation date.

(l) As for Irish Portfolio Pension Scheme.

(a) Portfolio-Bond 1

(b) This contract is an overseas direct written whole life assurance and is classified as life assurance and general annuity business.

(c) This is a single premium contract. No additional premiums may be paid, except after the 3 February 2005, the guarantee date.

(d) Benefits are denominated in French francs.

The guarantee term is eight years from 3 February 1997.

The value of the units at the guarantee date is linked to the performance of an index.

After the guarantee date, the units may be switched into any of the French internal linked funds and conditions similar to those of the Multi-Portfolio contract will apply.

The death benefit is 101% of the fund value of the units.

(e) The minimum value of units at the guarantee date is 131.68% of the value of units at 3 February 1997.

(f) The Company recovers its costs out of the margin between the initial investment and the cost of the underlying hedging instruments and as follows: -
(i) Allocation rates of less than 100% apply to all contributions.
(ii) After the guarantee date management charges of 1.00% are applied to all funds and are taken by cancellation of units.
(iii) Fund based commission is paid by the external fund managers.

(g) The charges cannot be increased.

(h) The surrender value is equal to the surrender value of the underlying hedging instruments until the guarantee date after which it is the value of the allocated units.

(i) The value of the units at the guarantee date is linked to the performance of the CAC 40 index between 3 February 1997 and 3 February 2005. The value of the units is:
(i) 131.68% of the value of the units at 3 February 1997 where the index increases by less than 31.68%; otherwise
(ii) 185.1% of the value of the units at 3 February 2005.

Subsequent to the guarantee date benefits may be linked to any of the eight internally linked French funds of GA Vie or the French Cash Fund of this Company.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was not open to business on the valuation date.

(l) There were no increases in charges in the report period.

(a) **NU Bond**

(b) This contract is a United Kingdom direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Single premiums may be paid.

(d) The death benefit is the greater of the single premium, 101% of the bid value of units and the selected life cover.

Annual indexation option may be effected in which case the selected life cover will increase on each policy anniversary without evidence of health. The increases are in line with the Retail Prices Index subject to upper and lower limits as defined in the policy.

Special event options enable the selected life cover to be increased without evidence of health on the birth or adoption of a child or on marriage. Restrictions apply to the increase in cover that may be provided. The options cease at age 50.

Regular withdrawal option enables regular payments to be taken from the Bond.

Annual indexation, special events and regular withdrawal options are not available where there are investments in the Unitised With Profit Income Fund.

Up to 100% of premiums may be applied to purchase units in the Unitised With Profit Life Fund or the Unitised With Profit income Fund of the Company.

(e) Where benefits are linked to the Life Guaranteed Fund of Norwich Union Linked Life Assurance Limited units have a guaranteed value, on the 5th anniversary of their allocation, of their original value at the time of allocation. This guarantee only applies to units held throughout the 5-year period, and to units cancelled during that period to provide for the additional management charge. Units must be switched out of the Guaranteed Fund at the end of the 5-year period. Units cannot be switched into the Guaranteed Fund.

(f) The Company recovers its costs as follows: -
(i) Unit prices for internal linked funds are reduced to take into account an annual management charge of 1.00% per annum (1.50% per annum in the case of the Guaranteed Fund).
(ii) Units are cancelled at the end of each of the first 5 policy years to provide for an additional management charge. The charge is 0.50% (1.00% for investments of less than £10,000) of the fund value.
(iii) The cost of selected life cover is met by the cancellation of units each month.

For investments in excess of £100,000, the allocation rate is 102.5%. Because there is no initial charge included in the offer price of units, more than 100% of the premium is deemed to be invested. The excess is recouped during the first five years or on earlier surrender.

(g) There are no restrictions on increases in charges.

(h) The surrender value is equal to the bid value of units less an early redemption charge in the case of surrenders during the first 5 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the amount withdrawn that exceeds 10% according to the following scale:

Year	Charge
1	7%
2	6%
3	5%
4	3%
5	1%

(i) Benefits may be linked to up to 6 of the internal linked funds of Norwich Union Linked Life Assurance Limited, including the Guaranteed Fund.

(j) The Company will cancel the policy if the units allocated to the policy are insufficient to meet the charge for selected life cover.

(k) The contract was open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) **NU Bond 2000**

(b) This contract is a United Kingdom direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Single premiums may be paid.

(d) The death benefit is the greater of the single premium, 101% of the bid value of units and the selected life cover.

Annual indexation, special events and regular withdrawal options as for the NU Bond.

(e) There is a guaranteed first anniversary bonus, paid on the business day prior to the first policy anniversary. The rate of this bonus is dependent upon the amount originally invested into the bond varying from 0.5% up to 3.5% for investments over £100,000.

A Loyalty bonus of 3.25% is payable against the number of units remaining in the bond at the close of business on the day prior to the tenth anniversary, and every subsequent fifth anniversary. The Loyalty bonus is paid by adding extra units.

(f) An annual management charge does not apply to the Unitised With Profit Life Fund and Unitised With Profit Income Fund, expenses are taken into account when calculating the bonus rate and price of units.

The cost of selected life cover is met by the cancellation of units each month.

(g) There are no restrictions on increases in charges.

(g) The surrender value is equal to the bid value of units, after any allowance for final bonus or market value reduction, less an early redemption charge in the case of surrenders during the first 5 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the amount withdrawn that exceeds 10% according to the following scale:

Year	Charge
1	8%
2	7%
3	5%
4	3%
5	1%

(i) Benefits may be linked to the Unitised With Profit Fund, the Unitised With Profit Income Fund or a combination of both.

(j) The Company will cancel the policy if the units allocated to the policy are insufficient to meet the charge for selected life cover.

(k) The contract was open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) NU FlexiBond

(b) This contract is a United Kingdom direct written whole life assurance and is classified as life assurance and general annuity business.

(c) Single premiums may be paid. Additional single contributions may also be paid.

(d) The death benefit is the greater of the initial investment, 101% of the bid value of units and the selected life cover.

Annual indexation, special events and regular withdrawal options as for the NU Bond.

Up to 100% of premiums may be applied to purchase units in the Unitised With Profit Life Fund or the Unitised With Profit Income Fund of the Company.

The contract can be written as a Flexible Protection Bond in which case the contract provides annual withdrawals of between 4% and 5% of the contributions (dependent on age at commencement) to fund regular premiums under the Future Assured (Long Term Care) contract of Norwich Union Life & Pensions Ltd. In this case, premiums may only be invested in the Unitised With Profit Life Fund of the Company.

(e) As for the NU Bond.

(f) The Company recovers its costs as follows :-

(i) An initial charge of 5% is included in the offer price of units.

(ii) Unit prices for internal linked funds, with the exception of With-Profit and the With-Profit Income Funds, are reduced to take account of an annual management charge of 1.0% per annum (1.5% on the Guaranteed Fund). For the With-Profit and With-Profit Income Funds expenses are taken into account when calculating the bonus rate and the price of units.

(iii) The cost of selected life cover is met by the cancellation of units each month.

(g) There are no restrictions on increases in charges.

(h) The surrender value is equal to the bid value of units, after any allowance for final bonus or market value reduction, less an early redemption charge in the case of surrenders during the first 5 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the amount withdrawn that exceeds 10% according to the following scale:

Year	Charge
1	5%
2	4%
3	3%
4	2%
5	1%

(i) As for the NU Bond.

(j) The Company will cancel the policy if the units allocated to the policy are insufficient to meet the charge for selected life cover.

(k) The contract was open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) NU Homemaker Plus

(b) This contract is a United Kingdom direct written endowment assurance and is classified as life assurance and general annuity business.

(c) Regular premiums may be paid monthly or annually.

(d) On maturity, the bid value of the units attaching to the policy at the end of the term increased for any final bonus on the bid value of units held in the unitised with profit fund, will be paid.

The death benefit is the greater of the bid value of units and the mortgage sum assured (plus any additional life cover and automatic additional life cover) increased for any final bonus on the bid value of units held in the unitised with profit fund.

A critical illness benefit may be selected, which can be greater than the policyholder's existing death benefit on the policy.

A terminal illness benefit is payable other than within the 18 months prior to the maturity date in the event of the life assured being diagnosed as having no more than 12 months life expectancy.

A waiver of premium benefit may be selected.

(e) There are no guaranteed investment returns.

(f) The company recovers its costs as follows :-

(i) Unit prices for internal linked funds, with the exception of the Unitised With-Profit Life Fund, are reduced to take account of an annual management charge of 0.75% per annum. For the Unitised With Profit Life Fund expenses are taken into account when calculating the bonus rate and the price of units.

(ii) Initial charge of 5% is included in the offer price of units.

(iii) Units are cancelled each month to provide for the administration charge.

(iv) The costs of the selected life cover, critical illness cover and waiver of premium benefit are covered by cancellation of units each month.

(g) The annual management charge can be increased up to a maximum of 2.5% p.a. The administration charge may only be increased to take account of changes in Retail Price Index (or similar index) and the cost of administration of policies.

(h) The current value is the bid value of allocated units plus any final bonus on units held in the Unitised With Profit Life Fund less any market value adjustment on unitised with profits units held.

(i) Benefits may be linked to the internal linked funds of Norwich Union Linked Life Assurance limited (excluding the Guaranteed Fund), to a range of external linked funds and the unitised with-profits fund, with a maximum of six links at any one time.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) The administration charge was increased from £1.03 per month to £1.05 per month with effect from the 2002 policy anniversary.

(a) CGU / NU Your Pension - Ind

(b) This contract is a United Kingdom direct written deferred annuity.

(c) Regular premiums may be paid monthly or annually. Single premiums, transfer values and Department of Social Security contributions may be paid into the scheme.

(d) The benefit at the selected retirement date is the bid value of units. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The death benefit is the bid value of units.

Annual indexation option may be selected. Contributions are increased in line with the National Average Earnings subject to upper and lower limits as defined in the policy.

A waiver of premium benefit may be selected.

Regular contributions may be reduced or stopped at any time without penalty. Contributions may be restarted at any time.

Premiums may be applied to purchase units in the Unitised With Profit Pension fund of the Company.

(e) Units in the Pension Assured Fund have a guaranteed price of £1 at the selected pension age or on earlier death.

(f) The Company recovers its costs as follows:
(i) Annual Fund charge of 1% p.a. is deducted from the fund by monthly cancellation of units.
(ii) For investments in the Unitised With Profit Pension Fund. 0.6% of the Annual Fund charge is allowed for when the bonus rate is calculated and the remainder is deducted by monthly cancellation of units.
(iii) For investments in the Pension Assured Fund an additional charge of 0.25% p.a. is taken into account when bonus units are declared.
(iv) Up to 0.2% of the annual fund charge may be refunded to the policyholder. The percentage is dependent on the size of the fund

(e) There are no restrictions on increases in charges.

(f) The bid value of units may be transferred to a new employer's scheme.

(g) Benefits may be linked to up to 6 of the internal linked funds of Norwich Union Linked Life Assurance Limited, including the Pension Assured Fund.

(h) No other features are material to the method and basis of the valuation.

(i) The contract was open to new business on the valuation date.

(j) There are no administration charges.

(a) CGU / NU Your Pension – Grp

(b) This contract is a United Kingdom direct written deferred annuity.

(c) Regular premiums may be paid monthly or annually. Single premiums, transfer values and Department of Social Security contributions may be paid into the scheme.

(d) The benefit at the selected retirement date is the bid value of units. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The death benefit is the bid value of units.

Annual indexation option may be selected. Contributions are increased in line with the National Average Earnings subject to upper and lower limits as defined in the policy.

Contributions may be a fixed percentage of salary.

A waiver of premium benefit may be selected.

Regular contributions may be reduced or stopped at any time without penalty. Contributions may be restarted at any time.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of the Company.

(e) As for NU Your Pension – Ind.

(f) As for NU Your Pension – Ind.

(g) As for NU Your Pension – Ind.

(h) As for NU Your Pension – Ind.

(i) As for NU Your Pension – Ind.

(j) As for NU Your Pension – Ind.

(k) The contract was open to new business on the valuation date.

(l) As for NU Your Pension – Ind.

(a) NU Your Pension Select – Ind

(b) This contract is a United Kingdom direct written deferred annuity.

(c) Regular premiums may be paid monthly or annually. Single premiums, transfer values and Department of Social Security contributions may be paid into the scheme.

(d) The benefit at the selected retirement date is the bid value of units. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The death benefit is the bid value of units.

Annual indexation option may be selected. Contributions are increased in line with the National Average Earnings subject to upper and lower limits as defined in the policy.

A waiver of premium benefit may be selected.

Regular contributions may be reduced or stopped at any time without penalty. Contributions may be restarted at any time.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of the Company.

(e) As for NU Your Pension – Ind

(f) The Company recovers its costs as follows:
- (i) Annual Fund charge of 1% p.a. is deducted from the fund by monthly cancellation of units.
- (ii) For investments in the Unitised With Profit Pension Fund, under contracts written prior to 6 April 2001, 0.6% of the Annual Fund charge is allowed for when the bonus rate is calculated and the remainder is deducted by monthly cancellation of units.
- (iii) For investments in the Pension Assured Fund an additional charge of 0.25% p.a. is taken into account when bonus units are declared.
- (iv) Up to 0.2% of the annual fund charge is refunded. This is dependent on the size of the fund.
- (v) Reduced allocation period on regular contributions of up to 5 years.

(g) As for NU Your Pension – Ind.

(h) As for NU Your Pension – Ind.

(i) As for NU Your Pension – Ind.

(j) As for NU Your Pension – Ind.

(k) The contract was open to new business on the valuation date.

(l) As for NU Your Pension – Ind.

(a) NU Your Pension Select – Grp

(b) This contract is a United Kingdom direct written deferred annuity.

(c) Regular premiums may be paid monthly or annually. Single premiums, transfer values and Department of Social Security contributions may be paid into the scheme.

(d) The benefit at the selected retirement date is the bid value of units. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The death benefit is the bid value of units.

Annual indexation option may be selected. Contributions are increased in line with the National Average Earnings subject to upper and lower limits as defined in the policy.

Contributions may be a fixed percentage of salary.

A waiver of premium benefit may be selected.

Regular contributions may be reduced or stopped at any time without penalty. Contributions may be restarted at any time.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of the Company.

(e) As for NU Your Pension – Ind

(f) The Company recovers its costs as follows: -

(i) Annual Fund charge of 1% p.a. is deducted from the fund by monthly cancellation of units.

(ii) For investments in the Unitised With Profit Pension Fund, under contracts written prior to 6 April 2001, 0.6% of the Annual Fund charge is allowed for when the bonus rate is calculated and the remainder is deducted by monthly cancellation of units.

(iii) For investments in the Pension Assured Fund an additional charge of 0.25% p.a. is taken into account when bonus units are declared.

(iv) Up to 0.2% of the annual fund charge is refunded. This is dependent on the size of the fund.

(v) Reduced allocation period on regular contributions of up to 5 years.

(g) As for NU Your Pension – Ind.

(h) As for NU Your Pension – Ind.

(i) As for NU Your Pension – Ind.

(j) As for NU Your Pension – Ind.

(k) The contract was open to new business on the valuation date.

(l) As for NU Your Pension – Ind.

(a) NU Optimiser Personal Pension

(b) This contract is a direct written deferred annuity. The contract is either written in the United Kingdom in which case it is included as United Kingdom pension business, or in Jersey or Guernsey, in which case it is included as overseas life and general annuity business.

(c) Regular premiums may be paid monthly or annually. Single premiums, transfer values and Department of Social Security contributions may also be paid into the scheme.

(d) The benefit at the selected retirement date is the bid value of units. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The death benefit is the greater of bid value of units plus any loyalty bonus and the selected life cover.

A waiver of premium benefit may be selected.

Annual indexation option may be effected in which case the regular premium will increase each year either by a fixed percentage of the contributions (5% or 10%) or in line with National Average Earnings subject to upper and lower limits.

A loyalty bonus is payable at retirement, death or transfer where regular contributions have been made for a cumulative period of 10 years or more. The bonus amount will be 0.5% of the bid value of units for each complete year that contributions have been paid.

Regular contributions may be reduced or stopped at any time without penalty. Contributions may be restarted at any time.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of the Company.

(e) Units in the Pension Assured Fund have a guaranteed price of £1 at the selected pension age or on earlier death.

(f) The Company recovers its costs as follows: -
- (i) Reduced allocation rates apply to regular contributions. Allocation rates for single premiums and transfer payments vary by size.
- (ii) An initial charge of 5% is included in the offer price of units.
- (iii) Unit prices for internal linked funds are reduced to take into account an annual management charge of 0.625% p.a. (0.875% for the Pension Assured Fund).
- (iv) Plan management charge of 0.375% p.a. of the regular contribution fund value, deducted by cancellation of units.
- (v) Units are cancelled each month to provide for the administration charge for regular contributions only.
- (vi) Units are cancelled each month to provide for the cost of life cover and the cost of waiver of contribution.

(g) The administration charge may be increased by no more than the increase in the Retail Prices index.

(h) The bid value of units may be transferred to a new employer's scheme.

(i) Benefits may be linked to up to 6 of the internal linked funds of Norwich Union Linked Life Assurance Limited, including the Pension Assured Fund.

(j) The Company will cancel the policy if the units allocated to the policy are insufficient to meet the administration charge.

(k) The contract is closed to new business.

(l) The administration charge was £2.68 per month.

(a) NU Executive Personal Pension

(b) This contract is a United Kingdom direct written deferred annuity and is classified as pension business. The contract complies with Chapter I Part XIV of the Income and Corporation Taxes Act 1988.

(c) Regular premiums may be paid monthly or annually. Single premiums and transfer values may also be paid.

(d) The benefit at the selected retirement date is the bid value of units plus any loyalty bonus and any final bonus earned on units in the Unitised With Profit Pension Fund.

The death benefit is the greater of bid value of units plus any loyalty bonus and any terminal bonus earned on units in the Unitised With Profit Pension Fund and the selected life cover.

For the Optimiser basis only, a loyalty bonus on regular contributions is payable as for NU Optimiser Personal Pension.

Single contributions and transfer payments, which have been invested for more than 10 years qualify for a loyalty bonus. The bonus is 0.25% of the bid value of units and is added by crediting additional units to the plan on the 11th and each subsequent plan anniversary.

Regular contributions may be expressed as a percentage of pensionable earnings.

Where contributions are earnings related, selected life cover may be expressed as a multiple pensionable earnings and may be increased by up to 10% p.a. on each of the first five renewal dates without further evidence of health subject to age and maximum cover restrictions.

Regular contributions may be stopped and restarted as described under the NU Optimiser Personal Pension.

Premiums may be applied to purchase units in the Unitised With-Profit Fund of the Company.

(e) As for NU Optimiser Personal Pension.

(f) The Company recovers its costs as follows:
- (i) Reduced allocation rates apply to regular contributions. Allocation rates for single premiums and transfer payments vary by size.
- (ii) An initial charge of 5% is included in the offer price of units.
- (iii) Unit prices for internal linked funds are reduced to take into account an annual management charge of 0.625% p.a. (0.875% for the Pension Assured Fund).

(iv) Plan management charge, for the Optimiser basis only, of 0.375% a year of the regular contribution fund value deducted by the cancellation of units.
(v) Units are cancelled each month to provide for the administration charge
(vi) Units are cancelled each month to provide for the cost of life cover.

(g) As for NU Optimiser Personal Pension.

(h) The benefit on early retirement or transfer before pension age is the bid value of units. For single contributions or transfer values paid within the previous 10 years a penalty of 0.5% of the contribution for each year outstanding to the end of 10 years after the contribution was made is charged.

(i) As for NU Optimiser Personal Pension.

(j) As for NU Optimiser Personal Pension.

(k) The contract was open to new business on the valuation date.

(l) The administration charge was £2.68 per month.

(a) NU Directors Personal Pension

(b) This contract is a United Kingdom direct written deferred annuity and is classified as pension business. The contract complies with Chapter I Part XIV of the Income and Corporation Taxes Act 1988.

(c) Regular premiums may be paid monthly or annually. Single premiums and transfer values may also be paid.

(d) The benefit on death, where regular contributions are made, is the greater of the bid value of units and the selected life cover. Any sums secured by additional voluntary contributions and any transfer payments are payable in addition.

Death benefit where regular contributions are not made is the bid value of units.

The benefit at retirement is the bid value of units.

Regular contributions may be stopped and restarted as described under the NU Optimiser Personal Pension.

A loyalty bonus is payable as for the Executive Personal Pension.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of the Company.

(e) As for NU Optimiser Personal Pension.

(f) As for NU Executive Personal Pension.

(g) As for NU Optimiser Personal Pension.

(h) As for NU Executive Personal Pension.

(i) As for NU Optimiser Personal Pension.

(j) As for NU Optimiser Personal Pension.

(k) The contract was open to new business at the valuation date.

(l) The administration charge was £2.68 per month.

(a) NU Free Standing AVC Plan

(b) This contract is a United Kingdom direct written deferred annuity and is classified as pension business.

(c) Regular premiums may be paid monthly or annually. Single premiums and transfer values may also be paid.

(d) The benefit at the selected retirement date is the bid value of units.
The benefit on death before retirement is the greater of bid value of units and the selected life cover.
Annual indexation option may be effected as for NU Optimiser Personal Pension.

A loyalty bonus is payable as for NU Executive Personal Pension.
Regular contributions may be stopped and restarted at any time without penalty.
Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of the Company.

(e) As for NU Optimiser Personal Pension.

(f) As for NU Executive Personal Pension.

(g) As for NU Optimiser Personal Pension.

(h) As for NU Executive Personal Pension.

(i) As for NU Optimiser Personal Pension.

(i) As for NU Optimiser Personal Pension.

(k) The contract was open to new business on the valuation date.

(l) The administration charge was £2.68 per month.

(a) NU Personal Transfer Plan

(b) This contract is a United Kingdom direct written deferred annuity, which complies with section 591(2)(g) of the Income and Corporation Taxes Act 1988. It is classified as pension business.

(c) Transfer values may be paid. No additional payments are allowed

(d) Accrued rights to Guaranteed Minimum Pensions, subject to fixed rate or limited rate revaluation, may be transferred into the plan. In such cases, the Company specifies a minimum premium that must be invested in the With-Profit fund. The benefits at State Pension Age are guaranteed to be sufficient to secure such rights.

The benefit on retirement is equal to the bid value of units.

The death benefit is the bid value of units.

A loyalty bonus is payable where contributions have been invested for more than 10 years. A bonus of 0.25% of the fund value is added by crediting additional units to the plan on the 11th and each subsequent plan anniversary.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund.

(e) Units in the Pension Assured Fund have a guaranteed price of £1 at the selected pension age or on earlier death.

(f) The Company recovers its costs as follows:-
(i) An initial charge of 5% is included in the offer price of units
(ii) Unit prices for internal linked funds are reduced to take into account an annual management charge of 0.625% (0.875% for the Pension Assured Fund).
(iii) Units are cancelled each month to provide for the administration charge

(g) The monthly administration charge can be increased by no more than the increase in the Retail Prices Index.

(h) As for NU Executive Personal Pension.

(i) Benefits may be linked to up to 6 of the internal linked funds of Norwich Union Linked Life Assurance Limited, including the Pension Assured Fund.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) The administration charge was £1.34 per month.

(a) NU Group Pension Investment Bond

(b) This is a direct written investment contract. The contract is either written in the United Kingdom in which case it is included as pension business, or in Jersey and Guernsey, in which case it is included as overseas life and general annuity business.

(c) Single contributions are paid. Additional single contributions may also be paid.

(d) The contract provides non-earmarked benefits to Trustees of occupational and personal pension schemes. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

Contributions that have been invested for more than 10 years qualify for a loyalty bonus of 0.25% of the fund value. The bonus is added by crediting additional units to the plan on the 11th and each subsequent plan anniversary.

Premiums may be applied to purchase units in the Unitised With Profit Pension Fund of the Company.

(e) For investments in the Pension Assured Fund, a selected date is chosen by the policyholder at which point the units have a guaranteed price of £1.

(f) The Company recovers its costs as follows: -

(i) Unit prices for internal linked funds (with the exception of the Unitised With Profit Pension Fund) are reduced to take into account an annual management charge of 0.625% per annum (0.875% per annum for the Pension Assured Fund).

(ii) For the Unitised With Profit Pension Fund expenses are allowed for when determining the bonus rates.

(iii) Units are cancelled at the end of each of the first 5 policy years to provide for a plan management charge of 0.75% per annum.

(g) There are no restrictions on increases in charges.

(h) An early encashment charge may apply if units are cashed in within 5 years of a contribution been paid. The charge applies where the amount cashed in exceeds 10% of the total contributions paid and is expressed as a percentage of any excess over 10% as shown below:

Year	Charge
1	7.5%
2	6%
3	4.5%
4	3%
5	1.5%

The charge is applied to each contribution separately according to the length of time it has been invested. Where only part of the plan is cashed in, the most recent contribution will be cashed in first.

(i) Benefits may be linked to up to 6 of the internal linked pension funds of Norwich Union Linked Life Assurance Limited.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) There were no increases in the rates of charges.

(a) NU Self Invested Personal Pension

(b) This contract is a United Kingdom direct written investment contract which complies with Chapter IV Part XIV of the Income and Corporation Taxes Act 1988, and is classified as pensions business.

(c) Regular or single contributions may be paid. Additional single contributions and transfer values may also be paid.

(d) The benefit at retirement is the bid value of units. This may be paid out as a cash lump sum within Inland Revenue limits or used to purchase an annuity. It is possible to defer purchase of an annuity and withdraw an income from the fund.

The bid value of units is payable on death.

Regular contributions may be increased.

Regular contributions may be reduced or stopped at any time without penalty. Contributions may be restarted at any time.

A loyalty bonus is payable as for the Group Pension Investment Bond.

Premiums may be applied to purchase units in the Unitised With-Profit Pension Fund of the Company.

(e) For investments in the Pension Assured Fund, a selected date is chosen by the policyholder at which point the units have a guaranteed price of £1.

(f) As for Group Pension Investment Bond. There are also additional charges for specific services (e.g. Ad hoc valuations).

(g) As for Group Pension Investment Bond.

(h) As for Group Pension Investment Bond.

(i) As for Group Pension Investment Bond.

(j) As for Group Pension Investment Bond.

(k) The contract was open to new business on the valuation date.

(l) There were no increases in the rate of charges.

(a) NU Designer Personal Pension

(b) This contract is a United Kingdom direct written deferred annuity.

(c) Regular premiums may be paid monthly or annually. Single premiums, transfer values and Department of Social Security contributions may also be paid into the scheme.

(d) The benefit at selected retirement date is the bid value of units. This may be paid out as a cash lump sum within Inland Revenue limits or used to purchase an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The benefit on death before retirement is the greater of the bid value of units and the selected life cover.

A waiver of premium benefit may be selected.

Regular contributions may increase each year either by a fixed percentage of the contributions (5% or 10%) or in line with National Average Earnings subject to a minimum of 3%.

Regular contributions may be reduced or stopped and restarted at any time without penalty.

(e) There are no guaranteed investment returns.

(f) The margin for expenses and commission is a fund management charge of between 0.4% and 1.75% of the value of the fund, depending on the level of commission, the style of contract and the funds selected. The fund charge can be deducted by monthly cancellation of units, implicitly in the fund price or a combination of methods depending on the fund series used for the contract. For most contracts written since 6 April 2001 the charge is deducted by cancellation of units.

(g) The fund management charge may vary.

(h) The benefit on early retirement is the bid value of units.

(i) Benefits may be linked to any of the 16 internal linked funds of Norwich Union Linked Life Assurance Limited and the Unitised With Profit Pension Fund, of the Company.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) Stakeholder NU Designer Personal Pension

(b) This contract is a United Kingdom direct written deferred annuity.

(c) Regular premiums may be paid monthly or annually. Single premiums, transfer values and Department of Social Security contributions may also be paid into the scheme.

(d) The benefit at selected retirement date is the bid value of units. This may be paid out as a cash lump sum within Inland Revenue limits or used to purchase an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The benefit on death before retirement is the bid value of units.

Regular contributions may increase each year either by a fixed percentage of the contributions (5% or 10%) or in line with National Average Earnings subject to a minimum of 3%.

Regular contributions may be reduced or stopped and restarted at any time without penalty.

(e) There are no guaranteed investment returns.

(f) The margin for expenses and commission is a fund management charge of between 0.4% and 1% of the value of the fund depending on the level of commission, style of contract and funds selected. The fund charge can be deducted by monthly cancellation of units, implicitly in the fund price or a combination of both depending on the fund series used for the contract. For most stakeholder contracts the charge is deducted by cancellation of units.

(g) The fund management charge may vary, subject to a 1% maximum.

(h) The benefit on early retirement is the bid value of units.

(i) Benefits may be linked to internal linked funds of Norwich Union Linked Life Assurance Limited, external linked funds and the Unitised With Profit Pension Fund, of the Company.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) There were no increases in charges during the report period.

(a) Variable Money Purchase Plan, Variable Money Purchase Plan (Mono Charge) and Millennium Variable Money Purchase Plan

(b) This contract is a United Kingdom direct written pension contract, which complies with Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988.

(c) Regular contributions may be paid. Additional single contributions and transfer values may also be paid. Single contributions from employees are directed to a separate Additional Voluntary Contribution Plan.

(d) The benefit at retirement is the bid value of units. This may be paid out as a cash lump sum within Inland Revenue limits or used to purchase an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The bid value of units is payable on death.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows:-

(i) An annual management charge of 0.7% for Mono charge contracts, up to 1% for Millennium contracts and 0.875% for other contracts. For millennium contracts the charge is taken by unit cancellation.

Additionally for the Variable Money Purchase Plan contract:

(ii) Reduced allocation rates apply to regular contributions. Allocation rates for transfers and single premiums will be adjusted if they were paid within 5 years of an alteration to the retirement date.

(iii) Charges may be made for switches over a given frequency.

(iv) An initial charge of 5% is included in the offer price of units.

(v) There is an initial charge of £50 per member for plans with less than 50 members.

(g) Initial member charges when applicable can be reviewed. Switch charges when applicable can be increased at not more than the increase in the Retail Prices Index. The fund management charge may vary

(h) The benefit on early retirement is the bid value of units.

(i) Benefits may be linked to internal linked funds of Norwich Union Linked Life Assurance Limited and the Unitised With Profit Pension Fund of the Company.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) The administration charge when applicable was £2.68 per month.

(a) NU Group AVC, NU Group AVC (Mono Charge) and Variable Group AVC (Millennium Series)

(b) This contract is a United Kingdom direct written pension contract, which complies with Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988.

(c) Regular contributions may be paid. Additional single contributions may also be paid.

(d) At retirement, or earlier death, the member's fund will be used to buy benefits in accordance with the rules of the employer's main scheme. For most cases no cash is allowed to be taken instead of pension.

Additional life cover may continue under a regular contribution plan whilst the member's fund is sufficient to meet the cost.

(e) There are no guaranteed investment returns.

(f) The Company recovers its costs as follows:-

(i) An annual management charge of 0.7% for Mono charge contracts up to 1% for Millennium contracts, and 0.875% for other contracts. For millennium contracts the charge is taken by unit cancellation.

Additionally for the non Mono charge and non Millennium contracts only:

(ii) An initial charge of 5% is included in the offer price of units.

(iii) Reduced allocation rates apply which vary according to whether the contributions are fixed or variable.

(iv) Allocation rates for transfers and single contributions will be adjusted if they were paid within 5 years of an alteration to the retirement date.

(v) Switch charges are payable for each switch more than once per plan year.

(vi) For plans with regular contributions, cancelling the appropriate number of units pays for the cost of life cover.

(vii) Units are cancelled each month to provide for the monthly plan fee.

(viii) An initial charge for each member may be made.

(g) The fund management charge may vary.

(h) The benefit and options on early retirement will be subject to the rules of the main scheme. The plan pays the bid value of units to the trustees of the main scheme.

(i) Benefits may be linked to up to 6 of the internal linked funds of Norwich Union Linked Life Assurance Limited and the Unitised With Profit Pension Fund.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.

(l) The administration charge when applicable was £2.68 per month.

(a) Stakeholder NU Your Pension – Ind and Stakeholder NU Your Pension - Grp

(b) This contract is a United Kingdom direct written deferred annuity.

(c) Regular contributions may be paid monthly or annually. Single premiums, transfer values and Department of Social Security contributions may be paid into the scheme. Contributions may be a fixed percentage of salary with an option to increase in line with National Average Earnings or by fixed rates at 5% or 10% per annum.

(d) The benefit at the selected retirement date is the bid value of units. The cash sum may be paid out as cash within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time.

The death benefit is the bid value of units.

Regular contributions may be reduced or stopped and restarted at any time without penalty.

(e) There are no guaranteed investment returns.

(f) The margin for expenses and commission is a fund management charge of between 0.6% and 1% of the value of the fund, depending on the level of commission and is deducted by monthly cancellation of units

(g) The management charge is restricted to a maximum of 1% per annum, with fund value rebates for large funds.

(h) The bid value of units may be transferred to another scheme.

(i) Benefits may be linked to the internal linked funds of Norwich Union Linked Life Assurance Limited and to some externally managed funds.

(j) No other features are material to the method and basis of the valuation.

(k) The contract was open to new business on the valuation date.
(l) There are no administration charges.

5 (2) The value of units in the Unitised With Profit Life Fund purchased prior to 1 February 1994 and not subsequently switched into the Loyalty Fund is increased by guaranteed interest at a rate of 3% per annum compound. The value of units in the Unitised With Profit Pension Fund is increased by guaranteed interest at a rate of 4% per annum compound in the case of units purchased by single premiums paid prior to 22 January 1996 and units purchased by regular premiums paid prior to 13 May 1996. Interest rate guarantees do not apply to other units in these funds or to units in the Stakeholder Unitised With Profit fund. Unit prices are further increased by the addition of declared and interim bonuses calculated on a daily basis.

The Company has discretion to reduce the bid value of units in the Unitised With Profit Funds by applying a Market Value Reduction to reflect adverse financial conditions current at that time. The circumstances in which this factor may be applied are as follows: -

Flexible Retirement Plan

(i) On withdrawals in excess of 5% of the initial investment.
(ii) On the payment of a tax free cash sum as a result of a transfer from a growth to an income policy.
(iii) On the payment of a transfer value.
(iv) On the purchase of a compulsory purchase annuity.
(v) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited.

Group Pension Investment Bond, NU Group Pension Investment Bond and Trustee Investment Plan

(i) On withdrawal at any time other than at a selected date determined either at commencement or at the original selected date. The selected date must be at least five years after commencement or extension. The selected date does not apply to Trustee Investment Plans written after 1 June 2002.
(ii) On withdrawals in excess of 5% of the initial investment in any one year (10% in the case of the Trustee Investment Plan written before 1 June 2002 and NU Group Pension Investment Bond provided that the selected date is at least ten years after commencement).
(iii) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited.
(iv) For Trustee Investment Plans written since 1 June 2002, there is a money back guarantee on the tenth anniversary of the policy. The amount guaranteed is the initial investment reduced in proportion to the number of units cancelled through withdrawals and switches.

International Personal Pension and NU International Investment Plan

(i) On any withdrawal except at the selected pension date in respect of units purchased by regular premiums for a period of at least five years.

(ii) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited.

All Other Pension Contracts

(i) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited.
(ii) On retirement prior to the selected pension date (except for jointly written policies).
(iii) On retirement after the selected pension date (except for jointly written policies).
(iv) On retirement at the selected pension date, in respect of units purchased by single premiums paid within five years of retirement or units purchased by increments in regular premiums within five years of retirement (except for jointly written policies).
(v) In the case of jointly written policies, on retirement at a date more than three years earlier than the selected pension date, or on retirement at any time in respect of units purchased by single premiums.
(vi) On the payment of a transfer value.

Kaleidoscope, Lifetrack

(i) On surrender or part surrender at any time.
(ii) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited.

Portfolio Bond, NU Bond, NU Bond 2000, NU Flexibond, Investment Bond, Irish Portfolio Bond, Irish Ulster Bank Bond

(i) On surrender or part surrender at any time, except for contracts written between October 1998 and January 2002 where the adjustment is guaranteed not to apply on the tenth anniversary of the policy and on each fifth anniversary thereafter. For investments in the Unitised With Profit Life Fund under Bonds issues since January 2002, there is a money back guarantee on the tenth anniversary of the policy. The amount guaranteed is the initial investment reduced in proportion to the number of units cancelled through withdrawals, switches and additional life cover charges.

(ii) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited.

(iii) On income withdrawals except where the withdrawal is less than 7.5% p.a. of the initial investment and this facility was set up from inception or for policies issued since 1 July 1999, this facility was set up after outset at a time when no Market Value Reduction was applying.

(iv) In the case of Portfolio Bonds issued since 15 May 2000, NU Bond, NU Bond 2000, and NU Flexibond, on a switch between the Unitised With Profit Life Fund and the Unitised With Profit Income Fund and on income payments from the Unitised With Profit Income fund in excess of the prevailing interim bonus rate.

In all other circumstances the bid price value of units is payable (less any charges specified in the contract descriptions in paragraph 5(1) above).

Multi-Portfolio

(i) On surrender at any time other than the selected date. The selected date must be at least eight years after commencement.
(ii) On ad hoc partial withdrawals.
(iii) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited or the French Cash Fund of this Company.
(iv) On automatic partial withdrawal in excess of 6% of the fund value at commencement of those withdrawals.
(v) At the selected date in respect of any single premiums or switches made in the 5 years prior to the selected date.

Multi-Portfolio Retraite

(i) On surrender at any time other than the selected date. The selected date must be at least eight years after commencement.
(ii) On ad hoc partial withdrawals.
(iii) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited or the French Cash Fund of this Company.
(iv) On automatic partial withdrawals.
(v) At the selected date in respect of single premiums, switches or redirections made in the 5 years prior to the selected date.
(vi) At the selected date in respect of regular premiums where, at a date within 5 years of the selected date, the regular premium had been increased to more than twice the level which applied 5 years prior to the selected date. In such circumstances the Market Value Adjustment Factor may only be applied to benefits purchased by premiums paid after the date of increase.

German GALA

(i) On surrender at any time.
(ii) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited.
(iii) Where the extension option is chosen and where encashment takes place less than 5 years after the original maturity date.

German DIVA

(i) On surrender or partial surrender at any time.
(ii) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited.
(iii) At the selected retirement date in respect of units which have been switched into the fund within the previous 5 years.

Swedish Personal Investment Plan

(i) On surrender or part surrender at any time.
(ii) On the exercise of an option to switch to the internal linked funds of Norwich Union Linked Life Assurance Limited.
(iii) On income withdrawals except where the withdrawal is less than 7.5% p.a. of the initial investment and this facility was set up from inception and not varied.
(iv) At the maturity date in respect of units which have been switched into the fund within 10 years of the maturity date.

Portfolio - Bond 1

(i) On surrender at any time other than the selected date. The selected date must be at least five years after the guarantee date.
(ii), (iii), (iv) and (v) as for Multi-Portfolio.

Homemaker Plus and NU Homemaker Plus

(i) On cancellation at any time except in the following circumstances:
(ii) Death, terminal illness and critical illness claims.
(iii) On maturity at the original maturity date.
(iv) On the five policy anniversaries immediately preceding the original Maturity Date providing the original term was at least 15 years and a constant level of regular premiums has purchased the units.
(v) On cancellation of units for any reason when these units were purchased by switches or redirections of premiums into the unitised with-profit fund.

A Market Value Reduction has been applied at certain times during the report period. The Market Value Reduction was expressed as a scale varying by month of unit purchase and the scale was revised on a number of occasions to reflect changing investment decisions.

5 (4) The only internal linked fund the Company operates is a cash fund for new investments in respect of its French branch business. This fund enables any new investments to be held on deposit during the 30 day cooling off period.

Valuations are made at close of business on each working day. All liability units are allocated or de-allocated at the price calculated at close of business on that day.

Units in this fund are created and cancelled at the same price. This price is determined from the value of the units held in 'Vega Securite' an external securitised fund. This value is divided by the number of units in force to give the price.

The holdings in 'Vega Securite' are valued as at the close of business on the previous working day. In any dealings the fund will get the previous working day's price which will be the same price as that available to other investors.

5 (5) There is no provision needed for capital gains tax.

5 (6) The Company does not receive any financial benefit by way of discount, commission, investment management charge rebate or any other allowance in respect of units in 'Vega Securite' held by the fund.

6 (1) Except where otherwise specified the liabilities in respect of the principle classes of policies were ascertained by deducting from the present value of the benefits the present value of the net premiums receivable.

A gross premium valuation method was used for most term assurance, mortgage protection and decreasing term assurance contracts. The liabilities for these policies were determined by deducting from the present value of the benefits the present value of the premiums receivable plus an explicit reserve for future expenses.

Assurances and deferred annuities were valued according to nearest age at the date of investigation. For UK Non-linked individual assurances where smoker status was allowed for in the premium charged, a deduction of two years was made for non-smokers and an addition of four years for smokers. For German branch business, separate tables were used for smokers and non-smokers. For French branch business, no distinction was made. Provision was made for the immediate payment of claims.

Immediate Annuities were valued according to age last birthday at the date of the investigation.

Except for Parent's Life Policies, contracts, which are a combination of two or more categories of contract, have been valued in their constituent parts.

Additional Reserves are held to provide for the potential cost of Personal Pension Compensation Payments and associated levies and expenses.

Individual sickness benefits and Income replacement Plan have been valued using a net premium valuation based on inception/annuity methodology. The reserve for claims in payment is the discounted value of future claim payments. Any benefit escalation is explicitly allowed for. Claim expenses are valued during claim, based on annual per claim expense amounts, with allowance for inflation. An additional disputed claims reserve is held and a notified outstanding claims reserve is held in respect of claims reported but not yet authorised.

(a) The unit liability in respect of index linked contracts was taken as the surrender value of the matching derivative instruments.

(b) For with-profit contracts, the valuation basis provides for future reversionary bonuses through margins in the valuation interest rate and through the margin between the office premium and net premium (to the extent that such margin is not required to provide for future maintenance expenses).

Bonus reserve valuations were carried out for broad categories of contract to determine the rates of reversionary bonus that could be supported by the published reserves. For this purpose, realistic but prudent assumptions were made as to future experience except for surrenders which were ignored. No provision was made for final bonus.

The reversionary bonuses which could be supported were considered reasonable having regard to the current interim rates, the smoothing policy adopted by the Company and the rates supported by new business.

Some individual PHI contracts have renewable premium rates. Regard is given to the reasonable expectations of policyholders by limiting the extent of any increases to the valuation net premiums so that they reflect heavier morbidity, where appropriate, but not higher expense levels.

(c) Life Assurance and Annuity Business

The net premiums were the true net premiums, increased by a Zillmer adjustment of 3.5% of the relevant capital sum for whole life, endowments and term assurances not valued using the gross premium valuation method in accordance with IPRU (INS) rule 5.10.

For United Kingdom contracts except term assurances and serious illness contracts, the net premiums were subject to a maximum of 95% of the office premiums.

For individual term assurances and serious illness contracts net premiums were subject to a maximum of 98.5% of the office premiums.

The net premiums were limited to a percentage of the office premium to avoid taking credit for more than the premiums receivable and to provide for future expenses.

Permanent Health Insurance Business

For Critical Illness Contracts the net premiums were the true net premiums subject to a maximum of 95% of the office premiums.

For individual sickness benefit and Income Replacement Plan contracts the net premiums were obtained by limiting the true net premiums to a maximum of 92.5% of the office premiums, the modification being made to avoid taking credit for more than the premiums receivable and to provide for future expenses. For group

sickness benefit contracts the net premiums were taken as 83.5% of the office premiums as an approximation to the true net premiums after providing for future expenses.

(d) The valuation basis produced negative reserves under certain classes but these were eliminated to ensure that no contract was treated as an asset.

(e) No reserve was made for future bonuses except in the case of Unitised With Profit business as described below

(f) The "fund carried forward" in Form 58 allows sufficient margin within market values to allow for any prospective liability for tax on unrealised capital gains.

For the purpose of the actuary's certificate, an addition of £23,336 (£000) has been made to the mathematical reserves on the Schedule 4 basis, as a further provision for tax on the excess of the market value of Loan Relationship assets over their amortised cost.

Provision has been made for the prospective liability to taxation on unrealised capital gains as part of the deferred tax provision in line 21 of Form 14. This provision has been established on the basis of accounting standard FRS19.

(g) A Maturity Guarantee Reserve for the maturity guarantee under Equity Endowment Assurances has been included. This figure represents the present value of a sum equal to five times the basic annual premiums under the contracts payable at the date of maturity of the contracts.

A Death Benefit Guarantee Reserve was included in respect of Portfolio Bonds, issued since August 1994, NU Bonds, NU Bond 2000 and NU Flexibond where premiums are linked to the internal linked funds of Norwich Union Linked Life. The reserve was established using the methodology described in the report of the Maturity Guarantees Working Party. For this purpose the full standard Wilkie investment model was used assuming 100% investment in UK equities.

Guaranteed Fund Reserves have been included to cover the 5 year guarantee on Portfolio Bond, NU Bond, NU Flexibond, Irish Portfolio Bond and Trustee Investment Plan investments in the Guaranteed Funds. The reserves were established using the methodology described in the Report of the maturity Guarantees Working Party. For this purpose, a lognormal model for equity risk was used and active management of the equity backing ratio was assumed, based on an initial 40% investment in equities for Ulster Bank Guaranteed Fund, and 25% investment in UK equities for other guaranteed funds. Credit was taken for the first result of the required margin of solvency in establishing this reserve.

(h) A reserve for options was included to provide for options which grant additional or extension assurances without medical evidence in addition to reserves of various multiples of specific extra premiums charged. The valuation basis was chosen so as to make suitable allowance for other guarantees and options granted.

An additional AIDS reserve for options has been included. The reserve has been assessed on the basis that all options are exercised at the then current premium rates and conditions, with additional mortality of one sixth of 'level R' on options to increase or convert Term Assurances and one thirtieth of 'level R' on guaranteed insurability options effected principally on moving house.

An amount was included in the Decreasing Term Reserve to cover the risk of death during a period not exceeding three months under certain mortgage related policies between the date of exchange of contracts and the completion of a mortgage.

An amount was included in the With Profits Endowment Reserve to meet the non-recovery of Life Assurance Premium Relief agreed with the Inland Revenue in respect of future premiums on certain life policies issued in March 1984.

An amount was included in the With Profits Endowment Reserve to provide for minimum surrender value payments under certain low cost endowment policies issued since 23 November 1993.

An amount was included in the Term Assurance Reserve to cover conversion and renewal options based on a multiple of the premiums paid for such options. A further amount was included in this reserve to provide for the terminal illness benefit having regard to the accelerated payment of claims.

For those assurances with a guaranteed annuity option and for deferred annuities with a guaranteed cash option, the mathematical reserves are calculated as the greater of either the discounted value of the cash option or 103% of the discounted value of the guaranteed annuity. The interest and mortality assumptions are

as indicated in columns 2 and 3 of Forms 51 and 52. For assurances with a guaranteed annuity option it is assumed that the option will be exercised in 95% of the cases where the value of the annuity exceeds the cash benefit. For deferred annuities with a guaranteed cash option no allowance is made for the possibility that policyholders may elect to receive the cheaper option. The reserve for guaranteed annuity options included within the mathematical reserves was £[illegible]89 (£000).

Principles adopted in the valuation of particular contracts were:

(i) The reserve for single premium group and individual term assurance contracts was the single premium and for Group Decreasing Term Assurance and Group Disability contracts the reserve was one year's office premium for annual premium contracts and the unearned proportion of the premium on the 24ths basis for single premium contracts, plus an appropriate reserve for profit sharing.

(ii) In valuing immediate annuities an addition of 3% of the basic liabilities was included for the expense of making annuity payments.

(iii) Retirement Annuities by recurring single premiums were valued using a prospective bonus reserve valuation. The valuation assumes that future regular bonuses are nil. Allowance is made for the excess, if any, of the value of benefits purchased by future premiums at the current level over the value of such premiums.

Provision is made for future expenses on the basis of the charges made to the Company under the Management Services Agreement with Norwich Union Life Services assuming future inflation at 3.5% per annum.

The reserves are similarly calculated assuming retirement at the earliest age specified in the policy and the reserve was taken as the greater of the two values.

(iv) Equity Endowment Assurances were valued by taking the Bid Prices of the Units deemed to have been purchased at the valuation date and adding 1/12 of the total annual premium payable.

(v) For contracts with benefits linked to the internal linked funds of Norwich Union Linked Life Assurance Limited or Abeille Vie the unit liability was taken as the value of units deemed allocated to the policies in the internal linked funds of those companies.

Allowance, where appropriate, was included for any guaranteed bonus. Additional reserves were held in respect of the unexpired portion of charges made for death benefits, waiver of premium benefits, permanent health benefits, critical illness benefits, permanent total disability benefits and regular increase benefits. In all cases, other than French branch products, a sterling reserve was calculated on the basis of discounted cash flow projections. The reinsurance arrangements for French branch products are such that no sterling reserve is required.

(vi) Unitised With Profit business is valued initially by determining the lower of the current non-guaranteed surrender value and the bid value of units. This result is then compared with a prospective valuation and the higher result taken.

The prospective valuation accrues future regular bonuses to the first date (or dates in the case of regular withdrawals) on which the Company guarantees not to apply a Market Value Reduction, and then discounts to the valuation date. Future regular bonuses are assumed to run down at 1.5% per annum in line with policyholders' expectations, to the guaranteed rate (or nil where there is no guaranteed rate). The initial level of regular bonus is taken to be the interim rate applying on the valuation date. Additional reserves are included where appropriate for contracts which provide a money back guarantee on a future policy anniversary.

Provision is made for future expenses on the basis of the charges made to the Company under the Management Services Agreement with Norwich Union Life Services assuming future inflation at 3.5% per annum.

Allowance is made for the cost of future shareholders transfers associated with the assumed pattern of future regular bonuses.

Future non-guaranteed surrenders are ignored.

(vii) Assurances issued on impaired lives and subject to extra premiums were valued as if effected at the ages corresponding to the premiums charged, except that for certain assurances issued before 9 November 1970 one full year's extra premium was reserved in addition to the normal reserve calculated on the basis of the true age.

One full year's extra premium was reserved in addition to the normal reserve under assurances carrying an extra premium for any other reason.

Debts that have been imposed on assurances have been ignored.

(viii) Sickness benefit contracts with waiver of premium were valued by treating the premium waiver as an extra benefit.

(ix) The reserve for accident benefits on sickness or accident benefit contracts was an approximate reserve in excess of one year's premium.

(x) The reserve for group sickness benefits by recurring single premiums was taken as the current year's single premium.

(xi) For permanent health insurance contracts an additional reserve for sickness claims was made based on the probability of death and recovery. Additional reserves were held for disputed claims and notified outstanding claims.

(xii) Amounts in overseas currencies were converted to sterling using rates of exchange current at the valuation date.

(xiii) The reserve for the serious illness contract ignores deaths that do not give rise to a serious illness benefit. The reserve has been apportioned between the Life & Annuity Fund and the Permanent Health Insurance Fund in the ratio 65/35, being the estimated proportion of claims arising on death and diagnosis respectively.

(xiv) The reserve for the critical ignores mortality. The 'life' table used is based on critical illness risk premium rates. The reserve for critical illness benefits under the income replacement plan is an approximate reserve.

(xv) The reserve for the Irish term assurance contract was taken as one year's premium.

(xvi) For term assurance contracts with critical illness benefits and for decreasing term assurance contracts with critical illness benefits written between 2 October 2000 and 31 December 2000, the reserve has been apportioned between the Life & Annuity Fund and the Permanent Health Insurance Fund in proportion to the premiums for death benefits and critical illness benefits respectively.

(xvii) For term assurance contracts with critical illness benefits and for decreasing term assurance contracts with critical illness benefits accepted by the Company under a reassurance treaty since 1 January 2001, the reserve has been apportioned between Life Assurance business and Permanent Health Insurance business within the Life and Annuity fund in proportion to the premiums for death benefits and critical illness benefits respectively.

(xviii) The reserve for waiver of premium benefits attaching to endowment assurance, term assurance and decreasing term assurance contracts has been taken as one year's premium

6 (2) In determining the provision referred to in sub-paragraph (f) above, and the reserves referred to in sub-paragraphs 7(7) and 7(8) below; account has been taken of the fact that the fund has been brought into Form 58 at book value in accordance with IPRU (INS) rule 4.1 (6).

In the context of assets valued at market value, additional reserves have been taken into account in the appointed actuary's certificate.

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31 December 2002**

7 (1) The rates of interest are shown on Forms 51 to 54.
The mortality tables used are coded as follows:

Code	Table		Age Rating
A	Males: Females:	AM80 ultimate AF80 ultimate	- -
B	Males: Females:	50% AM92 ultimate 50% AF92 ultimate	- -
D	Males: Females:	AM92 ultimate AF92 ultimate	- -
E	In deferment: In payment:	males - 50% AM92 ultimate females - 50% AF92 ultimate males - 75% PMA80 ultimate females - 90% PFA80 ultimate	
F	In deferment: In payment:	males - 50% AM80 ultimate females - 50% AF80 ultimate males - PMA92 (C=2020) ultimate females - PFA92 (C=2020) ultimate	- - down 2 years down 2 years
G	Males: Females:	70% IM80 ultimate 102% IF80 ultimate	- -
H	Males: Females:	PMA92 (C=2010) ultimate PFA92 (C=2010) ultimate	Down 1 year Down 1 year
J	Males: Females:	A variable percentage of A67/70 ultimate. The percentage is 220% at age 50, reducing by 5.5% for each year of age to 126.5% for ages 67 and above. Based on the male table with a deduction of 4 years from the age.	
N	Males: Females:	75% German DAVM 75% German DAVF	- -
O	Males: Females:	AM80 ultimate AF80 ultimate	down 1 year down 1 year
Q	Males: Females:	AM92 ultimate AF92 ultimate	-2 non smoker, +4 smoker -2 non smoker, +4 smoker
R	Males: Females:	75% TM92 non smoker,150% TM92 smoker 75% TF92 non smoker, 180% TF92 smoker	
S	Males: Females:	80% TM92 non smoker, 165% TM92 smoker 85% TF92 non smoker, 190% TF92 smoker	
T	Males: Females:	RMV92 (C=2010) ultimate RFV92 (C=2010) ultimate	Down 2 years Down 2 years
U	Males: Females:	75% PMA80 ultimate 90% PFA80 ultimate	
V	Males: Females:	50% AM80 ultimate 50% AF80 ultimate	

The morbidity basis for Sickness Benefits and Income Replacement Plan is as follows:

Inceptions:
Based on CIDA rates adjusted by factors dependent on the age, occupation, gender, smoker status, location and duration in force. Further margins have been taken for prudence.

Terminations:
Based on CMIR12 rates adjusted by factors dependent on the deferred period and duration of claim. Further margins have been taken for prudence.

7 (2) Code

K	Combined disability and mortality table used in the valuation of contracts that offer 'critical illness' and death benefits, as described in section 5. The table used is illustrated by the following specimen annual rates per mille :			
	Age	**Male**	**Age**	**Male**
	20	1.157	55	17.790
	25	0.966	60	28.780
	30	1.045	65	39.280
	35	1.663	70	59.670
	40	3.135	75	101.450
	45	5.921	80	155.350
	50	10.540	85	245.750

Rates for females can be obtained by deducting 4 years from age.

Code

P	Combined disability and mortality table used in the valuation of level term, endowment and attaching decreasing term contracts that offer 'critical illness' and death benefits, as described in section 4. The table used is illustrated by the following specimen annual rates per mille:				
	Age	**Male Smoker**	**Male Non Smoker**	**Female Smoker**	**Female Non Smoker**
	20	1.6284	1.0056	0.9000	0.5640
	25	1.5048	0.9336	1.1556	0.7224
	30	1.6044	0.9996	1.6932	1.0284
	35	2.0748	1.3056	2.5512	1.4736
	40	3.2832	1.9536	4.0044	2.2740
	45	6.3060	3.2280	6.3144	3.5508
	50	11.1384	5.1660	9.8328	5.3196
	55	18.8448	8.5332	15.5748	8.0088
	60	31.6008	14.3244	22.6068	11.2632
	65	45.9840	20.5404	30.2760	14.2920
	70	73.8144	33.3648	45.3648	21.4104
	75	114.8376	53.1708	67.7100	32.6916
	80	176.5560	84.7176	103.1436	51.3120
	85	264.9036	135.9108	158.2908	82.2972

Rates are also factored by (L + L/100), where L equals 1.0 for each year of policy term to allow for

guaranteed rates.

Code

M	Stand-alone critical-illness table used in the valuation of the critical illness contract. The table used is illustrated by the following specimen annual rates per mille:				
	Age	**Male Smoker**	**Male Non Smoker**	**Female Smoker**	**Female Non Smoker**
	20	0.6336	0.4080	0.6432	0.4140
	25	0.8340	0.5340	0.9252	0.5892
	30	1.1256	0.7200	1.4952	0.9204
	35	1.6536	1.0608	2.3928	1.3896
	40	2.7096	1.6476	3.7644	2.1396
	45	5.2932	2.8020	5.9160	3.3300
	50	9.4896	4.5936	9.1884	4.9776
	55	16.5000	7.8192	14.4912	7.4676
	60	27.8100	13.1232	20.4972	10.4664
	65	38.7792	18.1788	25.0812	12.6948
	70	59.2080	28.6572	36.8868	19.1760
	75	91.1364	46.8324	54.6528	29.9700
	80	135.9744	74.0088	80.5116	46.7700
	85	184.5648	107.2788	114.1464	70.4844

Rates are also factored by (L + L/100), where L equals 1.5 for each year of policy term to allow for guaranteed rates.

Code

C	Combined disability and mortality table used in the valuation of decreasing term mortgage protection contracts that offer 'critical illness' and death benefits, as described in section 4. The table used is illustrated by the following specimen annual rates per mille:				
	Age	**Male Smoker**	**Male Non Smoker**	**Female Smoker**	**Female Non Smoker**
	20	1.5540	0.9600	0.8592	0.5388
	25	1.4364	0.8904	1.1028	0.6900
	30	1.5312	0.9552	1.6164	0.9816
	35	1.9812	1.2456	2.4360	1.4088
	40	3.1344	1.8648	3.8280	2.1744
	45	6.0192	3.0816	6.0360	3.3948
	50	10.6320	4.9308	9.4008	5.0856
	55	17.9880	8.1528	14.8908	7.6572
	60	30.1644	13.6956	21.5796	10.7676
	65	43.8936	19.6068	28.8996	13.6428
	70	70.4592	31.8480	43.3032	20.4372
	75	109.6176	50.7540	64.6320	31.2552
	80	168.5304	80.8668	98.4552	49.0572
	85	252.8628	129.7332	151.0968	78.5568

Rates are also factored by (L + L/100), where L equals 1.0 for each year of policy term to allow for guaranteed rates.

Code

L	Combined death and diagnosis table used in the valuation of the serious illness contract. The table used is illustrated by the following specimen annual rates per mille.					
	Age	**Male**	**Female**	**Age**	**Male**	**Female**
	20	0.28	0.25	50	7.82	4.59
	25	0.36	0.41	55	12.29	7.37
	30	0.58	0.77	60	19.71	12.35
	35	1.21	1.18	65	30.20	19.53
	40	2.47	1.89	70	41.98	27.03
	45	4.62	2.96			

7 (3) The degree of variation of morbidity and mortality between states of commitment does not give rise to a material effect in the valuation.

7 (4) For pensions annuity business, the annual reductions in base table mortality rates between 1996 and 2002 range from 4.1% to 0.5% for males and from 2.7% to 0.5% for females. From 2003 the improvement rates are 100% of the Medium Cohort improvement rates for males and 75% for females from CMI Working Paper 1 (December 2002), subject to a minimum of 0.5% p.a. at all ages and calendar years.

For general annuity business, the annual reductions in base table mortality rates between 1996 and 1999 range from 2.5% to 0.5%. The resulting rates are then subject to future annual reductions ranging from 4.1% to 0.5% for males and from 2.7% to 0.5% for females.

7 (5) Margins in the published mortality basis are sufficient to cover current estimates of the cost of future additional claims from AIDS, other than those arising out of the exercise of options, at a level corresponding to one third of the AIDS Working Party's Projection 6A with allowance for the continuance of mortality rates at peak rates.

No additional reserves have been held to cover sickness claims from AIDS in respect of permanent health Insurance Business.

The remaining margins in the published mortality and morbidity bases are considered sufficient to provide for adverse deviations in experience arising from other causes. No additional reserves are therefore held.

7 (6) The following changes in the future value of assets were tested when determining the amount of the long term liabilities.

Scenario 2a

- equities fall in value by 14% and dividends remain unchanged but earnings fall by 10%.
- property falls in value by 10%.
- risk free fixed interest yields for terms less than 5 years fall to the level calculated under rule 5.11(9) of IPRU (INS) and yields for terms of 15 years or more remain constant. Yields for intermediate terms are assumed to fall to a level derived by linear interpolation between the 5.11(9) of IPRU (INS) yield and the 15 year gilt index yield (or remain constant if already below this level).

Scenario 2b

- equities fall in value by 14% and dividends remain unchanged but earnings fall by 10%.
- property falls in value by 10%.
  risk free fixed interest yields increase by 1%

Scenario 2c

- equities fall in value by 14% and dividends remain unchanged but earnings fall by 10%.
- property falls in value by 10%.
  risk free fixed interest yields decrease by 1%

Scenario 2b produces the most onerous requirement.

7 (7) No reserve was considered necessary having regard to the high proportion of with-profit business and the margins in the published valuation basis.

7 (8) Under the most onerous scenario tested, the additional reserve required pursuant to rule 5.17(b) of IPRU (INS) was £27,559 (000).

(a) In determining the long term liabilities in the changed investment conditions, the following changes in assumptions were made :-

(i) An explicit allowance was made for AIDS at a level corresponding to one third of the AIDS Working Party's Projection 6A, with allowance for the continuation of mortality rates at peak rates.

(ii) For Unitised With Profit benefits, the non guaranteed surrender values were assumed to fall in line with the reduction in the value of the hypothetical assets having regard to the ability of the Company to apply a Market Value Reduction. Future regular bonus rates were assumed to be nil.

(iii) The provision for tax on Loan Relationship assets referred to in sub paragraph 6(1)(f) above and the accounting provision for Capital Gains Tax has been included within the provisions. The reduction under the resilience scenario has been allowed for.

(iv) Mortality assumptions for immediate annuities and deferred annuities have been weakened in line with recent mortality experience (including a margin for prudence).

(b) Assets were initially hypothecated to cover the published liabilities for each category of contract. The choice of assets for this purpose took account of the nature of the liabilities and the desire to minimise the requirement. Low yielding assets such as overseas equities were therefore avoided where possible.

Allowance was made for the fall in value of assets in the changed financial conditions. For this purpose, assets were valued under chapter 4 of IPRU (INS).

Assets were re-hypothecated in the changed financial conditions and the liabilities were recalculated using the changed assumptions and yields closer to the maximum permitted yields in each scenario. An iterative process was used with the objective of minimising the liabilities whilst bearing in mind the suitability of the hypothecated assets.

The fall in the value of assets was compared with the reduction in liabilities.

(c) For the Life and Annuity Fund, the reduction in the aggregate amount of the liabilities was £911,847 (£000). The reduction in the aggregate value of the hypothecated assets was £935,548 (£000).

For the Permanent Health Insurance Fund, the reduction in the aggregate amount of the liabilities was £1,813 (£000). The decrease in the aggregate value of the hypothecated assets was £1,813 (£000).

7 (9) Only the sterling reserves in respect of the German and Irish branch products required an interest rate assumption. The interest rate used was based on the gross redemption yield on the relevant government bonds respectively, less a margin.

8 (a) See Forms 51 and 52.

(b) Where premiums have ceased or where no future premiums are payable or where the method of valuation does not take credit for future premiums as an asset, an additional reserve has been made for future expenses by an appropriate adjustment to the total liability for the particular classes concerned.

(c) Group Decreasing Term Assurance contracts by single premium

The reserve is calculated as the unearned proportion on the 24ths basis of the single premiums paid, plus an appropriate reserve for profit sharing. Under approximately 95% of this business the premium is independent of age, and a typical contract is for 5 years with a premium rate of £10 per £1,000 initial sum assured.

The following table sets out, for specimen ages, the mid year net premium reserves per £1,000 initial sum assured calculated in accordance with rules 5.8 to 5.17 of IPRU (INS) for such a contract by single premium. The valuation basis is A67/70 ultimate mortality rated down 1 year and 3.5% interest.

Year	Age At Entry		
	30 £	40 £	50 £
1	3.65	5.58	13.60
2	2.67	4.09	9.71
3	1.80	2.71	6.16
4	0.93	1.42	3.12
5	0.07	0.20	0.66

The age distribution for such contracts is well spread with a concentration around age 40.

Group Decreasing Term Assurance contracts by annual premium

The reserve is taken as one year's office premium. Under approximately 75% of this business the premium is independent of age, and a typical contract is for 5 years with an annual premium rate of £1.70 per £1,000 initial sum assured.

The following table sets out, for specimen ages, the mid year net premium reserves per £1,000 initial sum assured calculated in accordance with rules 5.8 to 5.17 of IPRU (INS) for such a contract where premiums are paid annually. The valuation basis is A67/70 ultimate mortality rated down 1 year and 3.5% interest with no Zillmer adjustment.

Year	Age At Entry		
	30 £	40 £	50 £
1	0.06	0.10	5.24
2	-	-	3.26
3	-	-	1.70
4	-	-	0.75
5	0.07	0.20	0.66

The net premium has been restricted to a maximum of 100% of the office premium and negative reserves have been eliminated.

The age distribution for such contracts is well spread with a concentration around age 40.

Group Disability contracts by single premium

The reserve is calculated as the unearned proportion on the 24ths basis of the single premiums paid. The premium is independent of age, and a typical contract is for 7 years with a premium rate of £7.20 per £100 initial loan.
The following table sets out, for specimen ages, the mid year net premium reserves per £100 initial loan calculated in accordance with rules 5.8 to 5.17 of IPRU (INS) for such a contract by single premium. The valuation basis is the same as that underlying the other sickness benefits.

Year	Age at entry		
	30 £	40 £	50 £
1	1.84	2.98	5.88
2	1.61	2.63	5.29
3	1.36	2.25	4.60
4	1.10	1.82	3.80
5	0.81	1.36	2.88
6	0.51	0.85	1.84
7	0.18	0.29	0.65

The age distribution for such contracts is well spread with a concentration around age 40.

(d) For Group Sickness contracts by annual premium, the mathematical reserves are not less than those that would be determined on a net premium reserving.

For Irish Term Assurance, the mathematical reserves are not less than those that would be determined on a net premium reserving basis using AM80 ultimate mortality for males, AF80 ultimate mortality for females and 2.75% interest.

9 (a) The principles adopted for the valuation of contracts with benefits linked to the internal funds of Norwich Union Linked Life Assurance are described in paragraph 6. The assumptions used are as follows :-

(i) Maintenance expense allowances were set equal to 110% of the expenses charged to the Company under the Management Services Agreement with Norwich Union Life Services.
(ii) Expenses and administration charges were assumed to increase in line with inflation at 3.5% (3.25% for French, Irish and German contracts).
(iii) The cost of death benefits was based on the mortality table indicated in Form 53. For all other benefits the costs were assumed to be met each year by the other benefit charges.
(iv) Unit growth at a rate of 5% was assumed before allowance for tax and the annual management charge.
(v) Tax of 15% of the unit growth and tax relief of 20% on expenses for UK and Irish life contracts.
(vi) Withdrawals were not allowed for.
(vii) For regular premium pension policies, the reserve was calculated with and without allowance for immediate conversion to paid up status and the reserve has been taken as the higher amount.
(viii) Explicit allowance was made for commission.
(ix) Sterling reserves were assumed to earn interest at 4.25% gross for pension, overseas and general annuity contracts and 3.4% net for life assurance contracts.
(x) Where the sterling reserve resulted in a negative value, the reserve was limited firstly to the amount of any charge on surrender and secondly to 70% of the unit reserve for the policy.
(xi) Cash flow projections were made over the outstanding contract term. In the case of Kaleidoscope and Lifetrack policies, cash flows were projected to the next review date.
(xii) For Personal Pensions and Group Personal Pension contracts, no credit was taken for the initial charge applied to future premiums or for future administration charges.

9 (b) Equity endowment assurances

Future expenses and mortality costs were assumed to be met by the excess of the premium over the allocated premium together with the reserve of one twelfth of the annual premium. Complex tests of adequacy were considered unnecessary in view of the small amounts of business in force.

10 (1) For linked contracts other than the contracts referred to in paragraph 9(b) above and for recurring single premium and paid up conventional contracts, an explicit allowance was made for expense inflation at 3.5% per annum.

For premium paying non profit contracts, (other than recurring single premium contracts) and annuities in payment, an implicit allowance was made for expense inflation by discounting the expense allowance at the yield on index linked gilts (net of tax in the case of life contracts) less 1%.

10 (2) The aggregate allowance for expenses during 2003 arising from linked contracts and non profit contracts other than recurring single premium contracts and with profit whole life and endowments was £33,610 (£000).

In the case of premium paying contracts the margin between the office premium and net premium valued, but including only a proportion of that margin for with profits business was re-expressed as an allowance for expenses during 2002, increasing in line with inflation over the remaining contract term. Allowance was made for commission, reassurance and any option premiums included in the office premium.

In the case of annuities in payment, the expense allowance of 3% of the annuity payment was re-expressed as an allowance for expenses during 2003 increasing in line with inflation over the remaining contract term.

In the case of linked contracts and contracts valued on a gross premium basis, the allowance represents the assumed expenses during 2003. Credit has been taken for premiums rebated by the reinsurer for business valued on a gross premium basis.

The aggregate allowance includes an allowance for carrying out Phase 2 of the personal pensions review during 2003 based on that allowed for in the reserve for personal pension compensation.

The expense allowances above exceed the maintenance expenses incurred during 2002 by more than the assumed rate of inflation.

10 (3) An assessment of the acquisition expense overrun during 2003 was made using the following method and basis: -

(i) The volume and mix of business written were based on sales targets.
(ii) The acquisition allowances for each product type were based on the allowances used for profit testing during 2003.
(iii) The acquisition expenses incurred were based on detailed departmental expense forecasts for 2003. Such forecasts were based on target volumes of business.
(iv) Allowance was made for the proportion of overrun expenses that would be borne by Norwich Union Life & Pensions Ltd., Commercial Union Life Assurance Company Ltd. and Norwich Union Linked Life Assurance Ltd.

The resulting expense overrun together with the projected new business strain during 2003 was substantially less than the surplus expected to arise during 2003 on prudent assumptions. No reserve is required.

10 (4) An assessment was made of the cost of closure of the Company to new business at the end of 2003 using the following method and basis of calculation.

(i) All sales, marketing and new business administration operations were assumed to cease immediately.
(ii) Allowance was made for redundancy costs.
(iii) An allowance was made for redundancies in departments servicing the new business areas.
(iv) Allowance was made for costs arising from the delay in re-letting properties occupied by the new business areas.
(v) Allowance was made for other costs incurred on closure to new business such as write-offs on fixed assets.
(vi) The aggregate costs were discounted to the valuation date.
(vii) Allowance was made for the proportion of closure expenses that would be borne by Norwich Union Life & Pensions Ltd., Commercial Union Life Assurance Company Ltd. Norwich union Annuity Ltd. and Norwich Union Linked Life Assurance Ltd.

The cost of closure was covered by margins between the office premium and net premium valued for with profit contracts. No reserve is required.

11 The mathematical reserves (other than reserves in respect of property linked benefits) and matching assets, analysed by currency are as follows :-

Life and Annuity Fund				
	Mathematical Reserves (£000)			
Assets	**Sterling**	**Irish Punts**	**French Francs**	**Other Currencies**
Sterling	9,116,325	-	-	430
Other currencies	-	-	-	2,925
Euro	-	164,855	129,506	-

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31 December 2002**

Permanent Health Insurance Fund		
	Mathematical Reserves (£000)	
Assets	**Sterling**	**Other Currencies**
Sterling	29,508	5

99% of the liabilities expressed in other currencies were matched by assets in the same currency.

12 (1) No premiums were payable during the report period for business ceded on a facultative basis to reinsurers who are not permitted to carry on business in the United Kingdom.

12 (2) There were 41 reinsurance treaties where the Company was the ceding insurer and under which business was in force at the valuation date: -

(i) (a) The first treaty, with Norwich Union Linked Life Assurance Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for whole life and endowment assurances on a risk premium basis and for term assurances on original terms up to £250,000 above the Company's retention limit.
(e) The premium payable by the Company during 2002 was £325,000.

(ii) (a) The second treaty, with Swiss Re Life & Health Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for whole life and endowment assurances on a risk premium basis and for term assurances on original terms up to £1,500,000 above the Company's retention limit and the first treaty.
(e) The premium payable by the Company during 2002 was £1,478,000.

(iii) (a) The third treaty, with ERC Frankona.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for whole life and endowment assurances on a risk premium basis and for term assurances on original terms up to £1,000,000 above the Company's retention limit and the first and second treaty.
(e) The premium payable by the Company during 2002 was £168,000.

(iv) (a) The fourth treaty, with Swiss Re Life & Health Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for certain term assurances on original terms up to a limit of £75,000.
(e) The premium payable by the Company during 2002 was £0.

(v) (a) The fifth treaty, with Swiss Re Life & Health Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for group life and dependants' benefits on a risk premium basis up to £1,500,000 above the Company's retention limit.
(e) The premium payable by the Company during 2002 was £218,000.

(vi) (a) The sixth treaty, with Swiss Re Life & Health Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides sickness benefits up to £25,000 p.a. for individual contracts and £32,500 p.a. for Group contracts in excess of the Company's retention limits.
(e) The premium payable by the Company during 2002 was £315,000.

(vii) (a) The seventh treaty, with Swiss Re Life & Health Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover of 75% of the first £1,000 per week and 100% of the next £925 per week sickness benefits on individual contracts.
(e) The premium payable by the Company during 2002 was £278,000.

(viii) (a) The eighth treaty, with Norwich Union Linked Life Assurance Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty applies to all Unit Linked contracts except Unit Trust and Index Linked contracts.
The treaty provides the value of units in the internal linked funds of Norwich Union Linked Life Assurance Limited, together with all death or critical illness benefits, waiver of premium benefit, permanent health benefit, permanent total disability benefit, and any risks under options on original terms. The Company retains the initial charge included in the offer price of units. Administration charges, where applicable, are taken by the Company by deduction of units allocated to a policy.
The treaty also provides cover on original terms for Group term assurances in respect of Credit Life business.
(e) The premium payable by the Company during 2002 was £40,500,000.

(ix) (a) The ninth treaty, with Norwich Union Linked Life Assurance Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for 100% of UK and Channel Islands unit linked benefits, together with all death or critical illness benefits and waiver of premium benefits for unitised contracts, written between 2 October 2000 and 31 December 2001, on original terms.
(e) The premium payable by the Company during 2002 was £181,878,000

(x) (a) The tenth treaty, with Swiss Re Life & Health Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover of 50% of the sum assured for Lifecover Plus policies on original terms.
(e) The premium payable by the Company during 2002 was £166,000.

(xi) (a) The eleventh treaty, with ERC Frankona.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Low Cost Endowment with Critical Illness and Stand Alone Critical Illness contracts on a risk premium basis up to £950,000 in excess of the company's retention limit.
(e) The premium payable by the Company during 2002 was £797,000.

(xii) (a) The twelfth treaty, with Munich Reinsurance Company, United Kingdom Life Branch.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for whole life and endowment assurances not covered by the tenth and eleventh treaties on a risk premium basis and term assurances on original terms up to £3,500,000 (£5,000,000 for business written on or after 28 May 1999) above the Company's retention limit.
(e) The premium payable by the Company during 2002 was £5,445,000.

(xiii) (a) The thirteenth treaty, with ERC Frankona.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for whole life and endowment assurances on a risk premium basis and term assurances on original terms up to £5,500,000 above the Company's retention limit.
(e) The premium payable by the Company during 2002 was £708,000.

(xiv) (a) The fourteenth treaty, with ERC Frankona.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for critical illness benefits under Serious Illness policies on original terms up to £50,000 above the Company's retention limit.
(e) The premium payable by the Company during 2002 was £1,000.

(xv) (a) The fifteenth treaty, with ERC Frankona.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for term assurances issued after 13 October 1996, on original terms, up to £5,500,000 above the Company's retention limit. The treaty provides cover for term assurances written on or after 28 May 1999, up to 60% quota share for sum insured less than £115,000 and 30% quota share for sum insured £115,000 to £200,000 in excess of the Company's retention limit.
(e) The premium payable by the Company during 2002 was £1,436,000.

(xvi) (a) The sixteenth treaty, with Swiss Re Life & Health Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for term assurances on original terms for up to £1,500,000 above the Company's retention limit and for term assurances with accelerated critical illness benefit on a risk premium basis up to £3,000,000 in excess of the Company's retention limit. From 2 October 2000 the treaty provides cover for term assurances with accelerated critical illness benefit on a risk premium basis for 50% in excess of the Company's retention limit up to £1,700,000.
(e) The premium payable by the Company during 2002 was £1,683,000.

(xvii) (a) The seventeenth treaty, with Swiss Re Life & Health Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Mortgage Protection (with or without critical illness cover) on original terms up to £8,500,000 above the Company's retention limit for life cover only or £3,000,000 where critical illness cover is also selected.
(e) The premium payable by the Company during 2002 was £1,146,000.

(xviii)(a) The eighteenth treaty, with Munich Reinsurance Company.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for the Income Replacement Plan (with or without critical illness cover) on original terms for PHI & waiver of premium benefits and risk premium basis for critical illness benefits up to £6,000 per month for PHI and £720,000 for critical illness, above the Company's retention limit.
(e) The premium payable by the Company during 2002 was £146,000.

(xix) (a) The nineteenth treaty, with HSBC.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover under First Direct Personal Loan and First Direct Business-to-Business Group Disability schemes on an 80% and 40% quota share basis, respectively.
(e) The premium payable by the Company during 2002 was £11,058,000.

(xx) (a) The twentieth treaty, with Norwich Union Insurance plc.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for the first four years and eleven months of loans under First Direct Personal Loan, First Direct Business-to-Business and Lloyds Bank Personal Loan Protector Group Disability schemes on a pro-rata basis. This treaty operates after the twenty-second treaty below.
(e) The premium payable by the Company during 2002 was £Nil.

(xxi) (a) The twenty-first, with Commercial Union Life Assurance Company Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for Unitised With Profit, Low Cost Endowment, Economy Low Cost Endowments and Endowment Assurances on a 50% quota share basis for business written between 1 October 1998 and 31 December 1998 and on a 75% quota share basis for business between 1 January 1999 and 1 October 2000.
(e) The premium payable by the Company during 2002 was £45,822,000.

(xxii) (a) The twenty-second treaty, with Commercial Union Life Assurance Company Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for certain personal loan and credit card schemes on a 49% quota share basis.
(e) The premium payable by the Company during 2002 was £2,264,000

(xxiii) (a) The twenty-third treaty, with Abeille Vie.
(b) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for all unit-linked business written by the French branch of CGNU Life. The treaty provides the value of the units in the internal linked French Funds of Abeille Vie. Entry charges and a proportion of the management charge in respect of investments in the unit linked funds are retained by the Company.
(e) The premium payable by the Company during 2002 was £1,312,000.

(xxiv) (a) The twenty-fourth treaty with Commercial Union Life Assurance Company Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for 100% of the Income Replacement Plan (with or without critical illness cover) and the stand alone critical illness plan written from 1 January 1999 until 31 December 2000 on original terms.
(e) The premium payable by the Company during 2002 was £2,641,000.

(xxv) (a) The twenty-fifth treaty, with Commercial Union Life Assurance Company Limited and Norwich Union Life and Pensions.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Companies are connected with the reinsurer.
(d) The treaty provides cover for United Kingdom and Channel Islands Unitised With Profit benefits on a 60% quota share basis to Commercial Union Life Assurance Company Limited and a 20% quota share basis to Norwich Union Life and Pensions on original terms for business written between 2 October 2000 and 31 December 2001. United Kingdom and Channel Islands Unitised With Profit benefits written on or after 1 January 2002 are reassured on a 45% quota share basis to Commercial Union Life Assurance Company Limited and a 10% quota share basis to Norwich Union Life and Pensions on original terms.

(e) The premium payable by the Company during 2002 was £1,026,595,000.

(xxvi) (a) The twenty-sixth treaty, with Norwich Union Linked Life Assurance Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for non-profit term assurance business, including mortgage protection, written between 2 October 2000 and 31 December 2000 on original terms. It also covers non-profit family income benefits and pension term assurance written on or after 2 October 2000.
(e) The premium payable by the Company during 2002 was £8,348,000

(xxvii) (a) The twenty-seventh treaty, with Kolnische Ruckversicherungs-Gesellschaft AG.
(b) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Term Assurances written on or after 28 May 1999 on original terms, up to £3,500,000 in excess of the company's retention limit.
(e) The premium payable by the Company during 2002 was £853,000

(xxviii) (a) The twenty-eighth treaty, with Reinsurance Group of America.
(b) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Term Assurances written on or after 2 October 2000 on original terms, up to £11,250,000 in excess of the company's retention limit.
(e) The premium payable by the Company during 2002 was £47,000.

(xxix) (a) The twenty-ninth treaty, with Reinsurance Group of America.
(b) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Term Assurances with accelerated critical illness benefit written on or after 2 October 2000 on a risk premium basis, up to £2,800,000 in excess of the Company's retention limit.
(e) The premium payable by the Company during 2002 was £20,000.

(xxx) (a) The thirtieth treaty, with Reinsurance Group of America.
(b) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Mortgage Protection written on or after 2 October 2000 on original terms.
(e) The premium payable by the Company during 2002 was £9,000.

(xxxi) (a) The thirty-first treaty, with Gerling Global Dublin Reinsurance Company Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Mortgage Protection with critical illness cover written on or after 2 October 2000 on original terms, up to £2,750,000 in excess of the company's retention limit.
(e) The premium payable by the Company during 2002 was £4,000.

(xxxii) (a) The thirty-second treaty, with Gerling Global Dublin Reinsurance Company Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Term Assurances written on or after 28 May 1999 on original terms, up to £5,000,000 in excess of the company's retention limit.
(e) The premium payable by the Company during 2002 was £653,000.

(xxxiii) (a) The thirty-third treaty, with Munich Reinsurance Company UK Life Branch.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Personal Life Assurance with optional Waiver of Premium written on or after 1 October 1998 on a quota share basis, up to £3,500,000 in excess of the company's retention limit.
(e) The premium payable by the Company during 2002 was £9,200.

(xxxiv) (a) The thirty-fourth treaty, with ERC Frankona.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for Pensions Term Assurance (PLA) with optional Waiver of Premium written on or after 1 October 1998 on a quota share basis, up to £5,500,000 in excess of the company's retention limit.
(e) The premium payable by the Company during 2002 was £18,000.

(xxxv) (a) The thirty-fifth treaty, with Swiss Re Life & Health Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for the Stakeholder pension waiver of premium benefits, on original terms, up to £4,500 per annum in excess of the company's retention limit.
(e) The premium payable by the Company during 2002 was £Nil.

(xxxvi) (a) The thirty-sixth treaty, with Munich Reinsurance Company.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is not connected with the reinsurer.
(d) The treaty provides cover for level term assurance, mortgage protection, decreasing term assurance attached to low cost whole life assurance, and pensions term assurance issued on or before, and still in force as at 30 September 2001, on original terms. This only applies to the portion that is not otherwise reinsured.
(e) The premium payable by the Company during 2002 was £60,093,000.

(xxxvii) (a) The thirty-seventh treaty, with Norwich Union Life & Pensions.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for the Stakeholder pension waiver of premium benefits, on original terms. This treaty operates after the thirty-fifth treaty above.
(e) The premium payable by the Company during 2002 was £587,000.

(xxxviii) (a) The thirty-eighth treaty, with Norwich Union Linked Life Assurance Limited, Commercial Union Life Assurance Company Limited and Norwich Union Life and Pensions.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) Under the treaty, Norwich Union Linked Life Assurance Limited provides cover for unit linked stakeholder personal pension benefits and the total expense and persistency risk for business written between 6 April 2001 and 31 December 2001. For such business written on or after 1 January 2002 cover is provided by Norwich Union Life and Pensions. Also covered are unitised with profit stakeholder personal pension benefits written on a 60% quota share basis to Commercial Union Life Assurance Company Limited and a 20% quota share basis to Norwich Union Life and Pensions on original terms for business written between 6 April 2001 and 31 December 2001. Unitised with profit business written on or after 1 January 2002 is reassured on a 45% quota share basis to Commercial Union Life Assurance Company Limited and a 10% quota share basis to Norwich Union Life and Pensions on original terms.
(e) The premium payable by the Company during 2002 was £696,335,000.

(xxxix) (a) The thirty-ninth treaty, with Norwich Union Linked Life Assurance Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for critical illness option benefits on term assurance contracts written between 17 November 1999 and 31 December 2000 and on mortgage protection contracts written between 2 October 2000 and 31 December 2000 on original terms.
(e) The premium payable by the Company during 2002 was £9,376,000.

(xxxx) (a) The fortieth treaty, with Norwich Union Linked Life Assurance Limited.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for stand-alone critical illness plan written between 1 January and 16 September 2001 on original terms.
(e) The premium payable by the Company during 2002 was £747,000.

(xxxxi) (a) The forty-first treaty, with Norwich Union Life and Pensions.
(b) The reinsurer is authorised to carry on insurance business in the United Kingdom.
(c) The Company is connected with the reinsurer.
(d) The treaty provides cover for 100% of UK and Channel Islands unit linked benefits, together with all death or critical illness benefits and waiver of premium benefits for unitised contracts, written on or after 1 January 2002, on original terms.
(e) The premium payable by the Company during 2002 was £995,427,000.
(f) There are no deposit back arrangements.
(g) No provision was made for refund of reinsurance commission in the event of lapse or surrender of the contracts.
(h) The 1st, 2nd, 3rd, 4th, 6th, 7th, 8th, 9th, 10th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 24th, 27th, 28th, 29th, 30th, 31st, 32nd, 39th and 40th treaties are closed to new business. All other treaties are open to new business.

The Company is also party to a Catastrophe Risks Agreement under which certain Life offices have agreed to share certain excess death risks resulting from catastrophe. No premiums were payable under the Agreement during the period since the previous investigation.

12 (3) There are no financing arrangements.

13 (1) With-profit policyholders are entitled to participate in the profits arising from the Life Assurance and Annuity Business only. Separate revenue accounts and details of the principles and methods applied in apportioning the investment income, increase or decrease in the value of assets brought into account, expenses and taxation between the Life and Annuity Fund and the PHI Fund are included in Appendix 9.3 of these returns.

(a) Revenue accounts in the format of Form 40 are given below for the Stakeholder Fund and the With Profit Fund, which are sub funds of the Life and Annuity Fund.

Net of reinsurance ceded		**Stakeholder**	**With Profit**	**Life and Annuity**
£000		As at the end of the financial year		
Earned Premiums	11	77832	1553117	1630949
Investment Income receivable before deduction of tax	12	1925	445204	447129
Increase (decrease) in the value of non-linked assets brought into account	13	(7753)	(973243)	(980995)
Increase (decrease) in the value of linked assets	14	0	350	350
Other income	15	0	0	0
Total income	19	72005	1025428	1097433
Claims incurred	21	1317	857223	858540
Expenses payable	22	537	162146	162683
Interest payable before deduction of tax	23	0	5805	5805
Taxation	24	0	(81800)	(81800)
Other expenditure	25	0	8000	8000
Transfer to (from) technical account	26	0	29920	29920
Total expenditure	29	1854	981294	983148
Increase (decrease) in fund in financial year	39	70151	44134	114285
Fund brought forward	49	12884	9290500	9303384
Fund carried forward	59	83035	9334634	9417669

Investment income relating to linked assets is included in line 12 was £nil for the Stakeholder Fund and £90(£000) for the With-Profit Fund.

(b) A statement of liabilities in the format of Form 14, is given below for the unitised with profit Stakeholder Fund and the With Profit Fund.

Net of reinsurance ceded		**Stakeholder**	**With Profit**	**Life and Annuity**
£000		As at the end of the financial year		
Mathematical reserves after distribution of surplus	11	82950	9334614	9417564
Balance of surplus	13	85	20	105
Long term insurance business fund carried forward	14	83035	9334634	9417669
Total other insurance and non-insurance liabilities	49	0	429336	429336
Excess of the value of net admissible assets	51	0	916898	916898
Total liabilities and margins	59	83035	10680868	10763903

The decrease in the value of non-linked assets during the year was £7,753 (£000) for the Stakeholder Fund and £1,436,910 (£000) for the With-Profit Fund.

14 (1) The amount available for distribution amongst with-profits policyholders and shareholders is determined from time to time by the directors on the advice of the appointed actuary. Under the Articles of Association, not less than 90% of the distributed profits in the With Profit Fund and 100% of the distributed profits in the Stakeholder Fund are allocated to with-profits policyholders. The basis of participation for French, Irish and German with-profits contracts in the With-Profit Fund is the same as for United Kingdom contracts. Profits arising from the Permanent Health Insurance Fund are allocated to shareholders.

Currently issued with-profit policies, product technical guides, the Guide to Conventional With-Profits and the Company's With Profit Guide describe the distribution of profits as above. The principles of distribution are not described in older policies and other Guides to With-Profits, nor are they described in all advertisements issued by the Company.

The distribution of profits amongst policies issued prior to 9 November 1970 takes into account the scheme of transfer mentioned in paragraph 15 below.

14 (2)

(a) The With-Profit and Stakeholder Funds are operated and accounted for as separate sub-funds within the Life & Annuity Fund of the Company. The Stakeholder Fund is maintained in respect of stakeholder pension business and the With Profit Fund is maintained in respect of all other with-profit and non-profit business written in the Life & Annuity Fund.

Liabilities, income and expense are allocated between the sub-funds according to the category of contract from which they arise. Assets are not segregated but the investment income and gains and the investment expenses are apportioned between the sub-funds in proportion to the respective fund sizes taking into account the proportions of each category of investment considered appropriate for each category of business.

Expenses other than investment and development expenses are determined from the defined expense charges for each category of contract under the Management Services Agreement with Norwich Union Life Services. Development expenses are apportioned on an equitable basis having regard to the nature of the development.

Under the terms of a reinsurance arrangement, all expenses incurred in connection with stakeholder pension business written prior to 1 January 2002 are borne by Norwich Union Linked Life and that company receives the benefit of all charges levied against the stakeholder unitised with-profit fund. Premiums deemed to be invested in the internal linked funds of Norwich Union Linked Life are payable to that company. For business written from 1 January 2002, expenses are borne by Norwich Union Life and Pensions and that company receives the benefit of all charges levied against the stakeholder unitised with-profit fund. Premiums deemed to be invested in the internal linked funds of Norwich Union Linked Life are payable to Norwich Union Life and Pensions.

(b) Non profit insurance business has been written in the With Profits Fund as shown in Forms 51, 53 and 54. Profits arising from without-profit policies are included in asset shares for policies written prior to 1 October 2000. For policies written from 1 October 2000, profits arising from without-profit policies will not be included in asset shares. No non-profit business is written in the Stakeholder Fund.

(c) Non-profit liabilities in the With Profit Fund are matched by fixed interest investments. The remaining assets of the With Profits Fund and the assets of the Stakeholder Fund are predominantly invested in equity shares, property and fixed interest investments. The Company currently intends to maintain between 55% and 65% of such assets in equity shares and property. This range may be changed in order to improve long term performance or to make sure that the fund can meet its guarantees. The investment mix of the Stakeholder Fund may differ from that of the With Profit Fund.

(d) The Stakeholder Fund was established with no free reserves and an account for smoothing and guarantees is being built up from the accumulation of a deduction of 0.25% p.a. from the asset shares. The level of the free reserves in the With Profit Fund is managed with the primary objective of enabling a relatively unconstrained investment policy, providing the capital backing necessary for smoothing, and to finance new business growth.

(e) (i) An asset share methodology is used when assessing the level of discretionary benefits allocated to with-profit policyholders. Currently, for contracts other than stakeholder pensions, asset shares represent the accumulation of past premiums allowing for the actual investment performance, expenses, policyholder tax, mortality costs, surrender payments and shareholders' profits together with profits arising from without-profit policies as described in 14(2)(b) above. In the case of Unitised With Profit contracts however, profits or losses on surrender which arise after 31 December 2002 will not be allocated to asset shares. Board Resolutions have been passed to charge the tax associated with shareholders' transfers from the Life & Annuity Fund to the Estate of the With Profit Fund.

In the case of stakeholder pensions contracts, however, asset shares represent the accumulation of the invested premiums allowing for the actual investment performance, surrender payments and the explicit annual management charge (set at an equivalent level to the charge for unit-linked funds). An allowance of 0.25% of the value of the stakeholder with-profits fund will be deducted from asset shares and directed into a "smoothing" account each year. This account builds up over time and allows the Company to operate the crucial features of with-profits investment, i.e. smoothing out the peaks and troughs in the values of underlying assets and providing the guarantees on retirement and death. The 0.25% remains within the stakeholder fund and therefore for the sole benefit of the stakeholder with-profits investors.

For all unitised with profits contracts issued after 1 October 2001, asset shares will no longer include actual expenses and shareholder profits, but rather the explicit charges made under the contract (including an annual management charge set at an equivalent level to the charge for unit-linked funds).

Final bonus policy is framed with the objective of providing maturity payments which represent 100 per cent of asset shares in the long term, although, in order to provide an element of stability in the returns to policyholders, smoothing is applied.

The final bonus scale derived for maturities is also applied to claims arising by death.

(ii) Our aim in normal circumstances is to smooth changes in actual policy payouts, limiting the change from year to year to around 15 per cent maximum. In the normal course of events, one would expect maturity payouts to lie in the range 90 to 110 per cent of asset shares. There is likely to be a lower degree of smoothing within the stakeholder pensions fund at least in the early years until the smoothing account has begun to build up, and this may lead to policy payouts from year to year changing by up to 20 per cent instead of 15 per cent in normal circumstances.

Changes in bonuses are not usually made more than twice a year and changes in regular bonus can be expected to be gradual. For single premium business however, smoothed claim values will in future be determined on a more regular basis to reflect increased stock-market volatility.

(iii) Profits are allocated to policyholders in the form of bonus additions to the guaranteed benefits in two ways: regular bonuses and final bonuses.

Regular bonuses are declared and added each year. Once added they become part of the benefits payable under the terms of the contract.

Final bonus where applicable is payable until further notice on all cancellations of units in the unitised with-profits funds and on all claims arising on death, maturity or retirement under the terms of the contract, for other with-profits policies. An allowance is made for final bonus where appropriate on a claim arising on surrender of the latter policies. Final bonus is currently expressed as a percentage addition to the guaranteed benefits, including previously declared bonuses.

In the past, special bonuses have been declared on certain life assurance policies. These bonuses represented a consolidation of part of the final bonus otherwise payable on death and maturity claims.

Regular bonus declarations take into account the rates, which we expect to be able to maintain over the terms of both existing and new policies on the basis of current economic conditions. For this purpose, account is taken of the premium rates charged, the expected future experience, particularly with regard to future investment returns, and the financial resources of the Company. Changes in regular bonus rates are required from time to time as both recent and expected future experience change. Such changes are, however, made over a period of time in order to provide a degree of smoothing to the build up of guaranteed benefits. Final bonuses arise mainly from capital appreciation of equity shares and property and so are reviewed from time to time in the light of prevailing financial conditions.

For new business written since 1 October 2001, the Company aims on average to share out between half and two thirds of the profits through guaranteed growth or regular bonus, with the balance paid as final bonus. More generally, regular bonus rates are set at a level that permits an appropriate final bonus margin to emerge.

In the case of contracts with options, the final bonus rate is determined by comparing the asset share with the value of the principal benefit under the contract. The same final bonus rate is applied whatever the option selected by the policyholder.

(iv) Fairness of treatment between investors holding policies issued at different times is achieved by assessing maturity and surrender payments having regard to the results of asset share calculations.

Where investments are in the unitised with-profits funds, fairness of treatment on cancellation of units may occasionally require the payment of a value less than the quoted bid value of units or, where final bonus is currently applicable, a value less than the quoted bid value of units increased by the application

of the current final bonus scale. This is achieved by the application of a reduction factor, known as a Market Value Reduction (MVR), to the quoted bid value of units or, in the latter case, to the quoted bid value of units plus final bonus. In deciding whether to apply an MVR, we may consider each encashment on a case by case basis.

The investment performance of the With-Profits Fund during the period of investment is compared with the return already credited to the policy by means of increase in unit prices and by the application of the final bonus scale. Current practice is only to consider applying an MVR when the investment performance of the With-Profits Fund is less than the return already credited.

For investments made within five years of cancellation, the Company intends to provide less smoothing and potentially take full account of any shortfall between the bid value of units plus final bonus and the market value of assets. For longer periods of investment we would apply a gradually increasing smoothing benefit.

In the case of policies with premiums invested in the life unitised with-profits income fund, an MVR is likely to be applied on a more frequent basis than under the unitised with-profits fund.

For stakeholder pensions policies invested in the Stakeholder With-Profits Fund, an MVR is also more likely to be applied on a more frequent basis than under the main Unitised With-Profits Fund. This is because the stakeholder with-profits fund stands on its own and must be able to support itself without assistance from the Company's free reserves. In the early years of stakeholder pensions business, the smoothing account described above will take time to build up and so there will be less "free assets" available to smooth out the peaks and troughs in market values. It is therefore more likely to be necessary to apply an MVR in order to protect the interests of the remaining policyholders in the stakeholder fund.

More frequent application of MVRs or a change in the smoothing policy outlined above could be expected if we experience a prolonged period of depressed markets, a heavy incidence of withdrawals from the fund, or the occurrence of substantial business losses in the fund.

For non-guaranteed surrender values on conventional with-profits policies, our approach is to pay out 90% to 100% of asset shares, subject to smoothing.

(v) Any costs associated with Personal Pension compensation payments, including the associated expenses and levies, and the exercise of guaranteed annuity options under traditional pensions contracts are currently charged to the free reserves.

The Company has announced its intention that payments on with profit mortgage endowment policies will, if necessary, be topped up at maturity where there is a shortfall between the claim value and the mortgage originally targeted, provided that future investment returns between 1 January 2000 and the date of maturity average no less than 6% p.a. net and that such payments can be met from future investment earnings on the free reserves within its life fund. The cost of such top up payments will be charged to the Estate. In such cases, the maturity payment may represent more than 100% of asset shares.

Final bonus policy is not subject to frequent changes but the director's reserve the right to alter the conditions for the payment of final bonuses or to cease paying final bonuses at any time without notice.

(f) The amount available for distribution amongst with-profits policyholders and shareholders is determined from time to time by the directors on the advice of the actuary. The proportion of profits distributed to policyholders and shareholders in the Stakeholder Fund is determined by the Articles of Association. In the case of the With Profit Fund, the general principle followed is to allocate to shareholders the maximum proportion of distributed profits permitted by the Articles of Association. This principle may however be modified in the case of unitised contracts written since 2 October 2000 where, in order to disclose the same charges for unitised with profit and unit linked investments, the charge to asset shares in respect of shareholder profits has been restricted. In such cases, in order to limit the potential cost to the Estate, the shareholder proportion may be less than 10%.

14 (3) Asset shares are calculated for sample policies issued at different times in the past. Separate calculations are carried out for broad groups of policies which have different characteristics or which had significantly different past experience.

Final bonus scales are constructed, based on the sample policies, to provide policy payouts which are consistent with the aims described in 14(2) above. Revised final bonus scales are determined at the beginning of each calendar year and at the half yearly review, based on financial conditions at those times and the

anticipated investment performance during the year. These scales are monitored during the remainder of the year and may be changed at any time in the event of significant stock-market movements.

In the case of unitised with profit contracts, MVR's are regularly reviewed during the year having regard to the performance of the with profit fund and the level of withdrawals.

The methods used for French, German and Irish with-profits contracts are the same as for United Kingdom contracts except that the investment performance is based on that of a notionally hypothecated pool of assets within the Life & Annuity Fund. These assets are primarily denominated in Euros.

14 (5) With-profits policies to which the information in 14(2) and 14(3) does not apply are as follows:-

Money Purchase Schemes (1974)
German Unitised With Profit.

15 Regular bonuses were allotted on participating assurances and deferred annuities in force on 31 December 2002. The bonuses on assurances and annual premium deferred annuities are calculated on the sum assured or annuity and the existing bonuses where appropriate, and the bonuses on other annuities are calculated on the annuity secured to date and the existing bonus annuity. Regular bonuses on unitised with profit benefits are allotted by way of compound increases to the unit price or, in the case of the Income Fund, by way of a monthly allocation of bonus units.

Rates of regular bonus do not depend on the original term or duration in force of the contract or the age of the life assured or the date of premium payment. Regular bonuses for with profit immediate annuity contracts vest on the first payment date on or after 1 February 2003. All other regular bonuses vest immediately they are declared.

The relationship between the rates of bonus declared are in accordance with the provisions of the Scheme of Transfer sanctioned on 19 October 1970 in the High Court of Justice in England transferring to the Company the Life Assurance, Annuity and Capital Redemption business of The Yorkshire Insurance Company Limited and the Life Assurance and Annuity business of Scottish Insurance Corporation Limited. The Scheme was made operative on 9 November 1970.

Contracts in Category A comprise all contracts issued by the Company under its present name or issued under its former names of CGU Life Assurance Limited, General Accident Life Assurance Limited, Yorkshire-General Life Assurance Company Limited or The General Life Assurance Company.

Contracts in Category B comprise all contracts issued by The Yorkshire Insurance Company Limited or Scottish Insurance Corporation Limited before 9 November 1970.

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31 December 2002**

	Rates of Bonus per cent per annum in 2002	
Life Assurance	**Whole Life Assurance**	**Other Contracts**
Category A		
Series 2 (1897 - 1925)	4.05 compound	3.80 compound
Series 3 (01.01.1926 - 31.12.1966)	4.05 simple	3.80 simple
Series 4 (01.01.1967 - 08.11.1970)	3.20 compound	2.95 compound
Series 5 (09.11.1970 - 31.12.1981)	4.50 simple	4.50 simple
Series 6 (01.01.1982 - onwards)	1.00 of sum assured plus 2.00 of attaching bonus	1.00 of sum assured plus 2.00 of attaching bonus
Unitised With Profit		
UK purchased prior to 1st February 1994	-	1.25 compound from 1 January 0.75 compound from 1 August
UK purchased since 1st February 1994	-	4.25 compound from 1 January 3.75 compound from 1 August
Loyalty Fund	-	4.75 compound from 1 January 4.25 compound from 1 August
France Valeur Plus	-	6.31 compound from 1 January 5.81 compound from 1 September
Germany UWP fund	-	5.00 compound from 1 January 4.50 compound from 1 September
Irish UWP		4.00 compound
Income Fund – except for Bond 2000 and Joint Venture Bond		5.00 compound from 1 January 4.50 compound from 1 August
Income Fund – Bond 2000 and Joint Venture Bond		4.50 compound from 1 January 4.00 compound from 1 August
Category B	4.50 simple	4.50 simple
Pension and General Annuity	**Whole Life Assurance**	**Other Contracts**
Categories A and B		
Retirement Annuities	-	1.00 of basic annuity plus 1.50 of bonus annuity
Group Single Premium Contracts (except Money Purchase Schemes (1974))	-	1.00 of ECV plus 2.00 of attaching bonus
Group Annual Premium Contracts and Money Purchase Schemes (1974)	-	1.00 of ECV plus 2.00 of attaching bonus
Unitised With Profit		
Purchased prior to 22nd January 1996 (13th May 1996 for regular premiums)	-	1.25 compound from 1 January 0.75 compound from 1 August
Purchased since 22nd January 1996 (13th May 1996 for regular premiums)	-	5.25 compound from 1 January 4.75 compound from 1 August
Stakeholder Fund	-	4.75 compound from 1 January 4.25 compound from 1 August
Irish Unitised With Profit		5.25 compound
NUIL Bond		4.75 compound
Immediate Annuity Contracts		4.00 compound

16 Interim regular bonuses where applicable will be payable until further notice on claims arising on or before 31 December 2003 at the following rates:

	Rates of Interim Bonus per cent per annum in 2003	
Life Assurance	**Whole Life Assurance**	**Other Contracts**
Category A		
Series 2 (1897 - 1925)	3.35 compound	3.10 compound
Series 3 (01.01.1926 - 31.12.1966)	3.35 simple	3.10 simple
Series 4 (01.01.1967 - 08.11.1970)	2.70 compound	2.45 compound
Series 5 (09.11.1970 - 31.12.1981)	3.50 simple	3.50 simple
Series 6 (01.01.1982 - onwards)	0.50 of sum assured plus 1.00 of attaching bonus	0.50 of sum assured plus 1.00 of attaching bonus
Unitised With Profit		
UK purchased prior to 1st February 1994	-	0.25 compound
UK purchased since 1st February 1994	-	3.25 compound
Loyalty Fund	-	3.75 compound
France Valeur Plus	-	5.05 compound
Germany UWP fund	-	3.50 compound
Irish UWP		2.50 compound
Income Fund – except for Bond 2000 and Joint Venture Bond		4.00 compound
Income Fund – Bond 2000 and Joint Venture Bond		3.50 compound
Category B	3.50 simple	3.50 simple
Pension and General Annuity	**Whole Life Assurance**	**Other Contracts**
Categories A and B		
Retirement Annuities	-	0.00 of basic annuity plus 0.00 of bonus annuity
Group Single Premium Contracts (except Money Purchase Schemes (1974))	-	0.00 of ECV plus 0.00 of attaching bonus
Group Annual Premium Contracts and Money Purchase Schemes (1974)	-	0.00 of ECV plus 0.00 of attaching bonus
Unitised With Profit		
Purchased prior to 22nd January 1996 (13th May 1996 for regular premiums)	-	0.00 compound
Purchased since 22nd January 1996 (13th May 1996 for regular premiums) with implicit annual management charges	-	3.75 compound
Purchased since 22nd January 1996 with explicit annual management charges	-	4.00 compound
Stakeholder Fund	-	3.50 compound
Irish Unitised With Profit	-	3.75 compound
NUIL Bond		4.00 compound

Final bonuses are payable until further notice on death and maturity claims arising on or after 1 January 2003 under assurances in force as participating contracts at the date of claim, and also on unit cancellations on a UK Life unitised with profit contract. This does not include the Unitised With Profit Income Fund. Final bonuses are also payable until further notice on all participating pension and general annuity contracts, in the event of (i) a pension commencing under a retirement annuity or (ii) a retirement on or after normal retirement date under a contract providing pensions, or lump sums at retirement or (iii) on unit cancellations under a unitised with profit contract. Final bonuses are also payable on unit cancellations on the French Valeur Plus contract. An allowance for final bonus is made on surrender, or early retirement in the case of conventional contracts.

Final bonus rates on Life Assurance policies and Group Annual Premium contracts depend on the year of commencement of the policy, year of conversion to with-profit, or year of commencement of any increment. Final bonus rates for Retirement Annuities and Group Single Premium contracts depend on the year of purchase of benefit.

Specimen rates of final bonus applicable on 1 January 2003 expressed as amounts per cent of benefit are shown below. The rates are applied to the sum assured (or other measure of benefit) and attaching declared and interim bonuses in the case of conventional contracts, and to the bid value of units in the case of Unitised With Profit contracts.

Calendar Year	Life Assurance Contracts	Retirement Annuity & Group Single Premium Contracts*	Individual Pension Arrangements by Single Premium	Group & IPA Annual Premium Contracts	Life Unitised With Profit Benefits	Pension & General Annuity Unitised With Profit Benefits	French Unitised With Profit Benefits
2002	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0
1998	0	0	0	0	0	0	0
1993	0	0	0	0	4	0	-
1988	0	0	0	0	-	-	-
1983	13	10	19	0	-	-	-
1978	67	68	65	6	-	-	-
1973	120	102	105	34	-	-	-
1968	120	142	145	55	-	-	-

* Excluding Money Purchase Schemes (1974), where the final bonus applicable on 1 January 2003 was 0% of attaching declared and interim bonus.

The directors have reserved the right to amend the rates of interim bonus and the rates and conditions of payment of final bonus at any time without notice.

17 Form 46 is appended.

18 Form 47 is appended.

19 (1) Forms 48 and 49 are appended.

19 (2), (3)&(4) The information provided under IPRU (INS) rule 9.29 is sufficiently complete.

20 (1) Forms 51-56 are appended.

20 (3) The provisions of IPRU (INS) rule 2.3 have been complied with in accordance with published guidance, in relation to those fund links that have been wholly reinsured.

21 (1) Form 57 is appended.

21 (2) In accordance with Rule 5.11(7), a prudent adjustment, excluding that part of the yield estimated to represent compensation for the risk that the income from the asset might not be maintained or that capital repayments might not be received as they fall due, was made to the yield on assets other than equity shares and land.

This adjustment took account of:

(i) The historic experience of bad debts for each of the major fixed interest asset classes

(ii) Market margins of gross yield over the yields of risk-free investments of a similar term in the same currency, where available

(iii) The reasonableness of the net of adjustment yields over the yields of risk-free investments of a similar term in the same currency, taking account of the points above

(iv) The need to take a prudent view of the above.

The adjustment made is expressed as a deduction from the expected yield and varies by type of asset as follows:

Type of Asset	Deduction from yield
Deposits	0.10%
Approved fixed interest securities	0.00%
Other fixed interest securities	0.28%

21 (3) For equity shares, the yields on individual stocks were restricted to be not more than the yield on 15-year gilts plus 1%. For land, the rental yields were capped at the yield on 15 year gilts plus 3% to allow for the risk that the aggregate rental income might not be maintained. The same reductions in income were applied in the resilience scenarios.

22 Form 58 is appended.

23 Forms 60 and 61 are appended.

M N Urmston
Appointed Actuary

Form 46

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	NL/LN
R46	226742	GL	31	12	2002	£000	UK	NL

		Life assurance and general annuity		Pensions business		Permanent health		Other business	
		No of contracts 1	Annual premiums 2	No of contracts 3	Annual premiums 4	No of contracts 5	Annual premiums 6	No of contracts 7	Annual premiums 8
In force at beginning of year	11	1351930	345910	62049	10448	212600	19026		
New business and increases	12	28473	3332	1013	65	6631	420		
Net transfers and other alterations 'on'	13								
Total 'on' (12+13)	19	28473	3332	1013	65	6631	420		
Deaths	21	3963	1647	1044	19	56	9		
Other insured events	22	321	127			178	26		
Maturities	23	6296	2450	920	156				
Surrenders	24	27160	11047						
Forfeitures	25	70211	12779	609	286	16614	2026		
Conversions to paid-up policies for reduced benefits	26		41						
Net transfers, expiries and other alterations 'off'	27	19213	3849	252	400	7019	143		
Total 'off' (21 to 27)	29	127164	31940	2825	861	23867	2204		
In force at end of year (11+19-29)	39	1253239	317302	60237	9652	195364	17242		

Form 46

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Linked

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	UK/OS	NL/LN
	R46	226742	GL	31	12	2002	£000	UK	LN

		Life assurance and general annuity		Pensions business		Permanent health		Other business	
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums
		1	2	3	4	5	6	7	8
In force at beginning of year	11	498280	42507	284433	343451				
New business and increases	12	70071	1934	146886	239221				
Net transfers and other alterations 'on'	13		279						
Total 'on' (12+13)	19	70071	2213	146886	239221				
Deaths	21	5405	103	412	313				
Other insured events	22	38	46						
Maturities	23	17	7						
Surrenders	24	24339	4507	3580	1948				
Forfeitures	25	462	343	235	522				
Conversions to paid-up policies for reduced benefits	26		376		40143				
Net transfers, expiries and other alterations 'off'	27	678		2535	43714				
Total 'off' (21 to 27)	29	30939	5382	6762	86640				
In force at end of year (11+19-29)	39	537412	39338	424557	496032				

Form 46

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Non-linked

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	UK/OS	NL/LN
	R46	226742	GL	31	12	2002	£000	OS	NL

		Life assurance and general annuity		Pensions business		Permanent health		Other business	
		No of contracts 1	Annual premiums 2	No of contracts 3	Annual premiums 4	No of contracts 5	Annual premiums 6	No of contracts 7	Annual premiums 8
In force at beginning of year	11	9849	5044						
New business and increases	12	192	80			29			
Net transfers and other alterations 'on'	13	4812				2431	23		
Total 'on' (12+13)	19	5004	80			2460	23		
Deaths	21	20	7						
Other insured events	22	4	1			1			
Maturities	23	51	34						
Surrenders	24	107	96						
Forfeitures	25	1147	307			281	1		
Conversions to paid-up policies for reduced benefits	26								
Net transfers, expiries and other alterations 'off'	27		26						
Total 'off' (21 to 27)	29	1329	471			282	1		
In force at end of year (11+19-29)	39	13524	4653			2178	22		

Form 46

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Linked

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	UK/OS	NL/LN
	R46	226742	GL	31	12	2002	£000	OS	LN

		Life assurance and general annuity		Pensions business		Permanent health		Other business	
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums
		1	2	3	4	5	6	7	8
In force at beginning of year	11	23563	12636						
New business and increases	12	2334	2804						
Net transfers and other alterations 'on'	13	59							
Total 'on' (12+13)	19	2393	2804						
Deaths	21	96	14						
Other insured events	22								
Maturities	23								
Surrenders	24	902	243						
Forfeitures	25	11	3						
Conversions to paid-up policies for reduced benefits	26		322						
Net transfers, expiries and other alterations 'off'	27		776						
Total 'off' (21 to 27)	29	1009	1358						
In force at end of year (11+19-29)	39	24947	14082						

Form 47
(Sheet 1)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
UK DIRECT WRITTEN INSURANCE BUSINESS						
Life Assurance & General Annuity Insurance Business						
Non-Linked With-Profits Policies						
Whole Life Assurance	43	3318	4579	2633	1942	35711
Endowment Assurance				140	248	3680
Economy Endowment Assurance					65	
Sub total: Non-Linked With-Profits Policies	**43**	**3318**	**4579**	**2773**	**2255**	**39391**
Non-Linked Non-Profit Policies						
Term Assurance : Level				66	77	41814
Term Assurance : Decreasing	42	1144	8644	2533	729	82874
Term Assurance : Increasing				2	19	2753
Term Assurance : Income Benefits				741	156	117137
Economy Decreasing Term Assurance					3	
Group Term Assurance	129844	15505	743647	29439	1446	282941
Annuity in Payment	2	28	6 pa			
Group Annuity in Payment	9	89	7 pa			
Reversionary Annuity	1		1 pa			
Group Reversionary Annuity	6		4 pa			
Sub total: Non-Linked Non-Profit Policies	**129904**	**16766**	**752291**	**32781**	**2430**	**527519**
			18 pa			

Form 47
(Sheet 2)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Other Linked Contracts						
Kaleidoscope 1992					49	622
Lifetrack 1991					14	46
Investment Bond additional		1775	1775			
Stepping Stone					1	
Swedish Personal Investment Plan Single	939	23705	23705			
Homemaker Plus					10	
NU Bond	54416	1439602	1455781			
NU Flexibond	3157	125899	126174			
NU Flexibond additional		9175	9175			
NU Bond 2000	10184	317450	319946			
NU Homemaker Plus				1140	1860	65265
NU Flexibond (LTC)	235	2420	2420			
Sub total: Other Linked Contracts	**68931**	**1920026**	**1938976**	**1140**	**1934**	**65933**
Total: Life Assurance & General Annuity Insurance Business	**198878**	**1940110**	**2695846**	**36694**	**6619**	**632843**
			18 pa			

Form 47
(Sheet 3)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Pension Insurance Business						
Accumulating With-Profits Policies						
Retirement Annuity					65	181 pa
Retirement Annuity additional		1332	116 pa			
Sub total: Accumulating With-Profits Policies		**1332**	**116 pa**		**65**	**181 pa**
Non-Linked With-Profits Policies						
Group Cash On Retirement	4	435	149	10	59	172
Group Deferred Life Annuity		111	5 pa	1	11	52 pa
Group Deferred Reversionary Annuity					2	3 pa
Sub total: Non-Linked With-Profits Policies	**4**	**546**	**149**	**11**	**72**	**172**
			5 pa			**55 pa**
Non-Linked Non-Profit Policies						
Annuity in payment	842	27502	2506 pa			
Group Annuity in payment	267	2100	158 pa			
Reversionary Annuity	171		427 pa			
Group Reversionary Annuity	104		64 pa			
Group Term Assurance					8	639
Sub total: Non-Linked Non-Profit Policies	**1384**	**29602**	**3155 pa**		**8**	**639**

Form 47
(Sheet 4)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Other Linked Contracts						
Personal Pension Scheme		4790	4790	1857	10594	162
Personal Pension Scheme Additional		29179	29179			
Free Standing AVC Plan		21	21		69	
Free Standing AVC Plan Additional		125	125			
Self Invested Pension Plan Additional		631	631			
GA Group Money Purchase Scheme		34	34	11	71	
Executive Pension Plan		3683	3683		1633	
Pension Transfer Plan		201	201			
Group Pension Investment Bond		970	970			
Flexible Retirement Plan		614	614			
CGU Your Pension	49	1044	1044	1042	2956	
CGU Your Pension Additional		2733	2733			
NU Your Pension	1416	22900	22900	4377	15406	
NU Your Pension Additional		45171	45171			
NU Your Pension Select	53	777	777	168	544	
NU Your Pension Select Additional		1133	1133			
NU Optimiser Personal Pension		1799	1799	3	430	
NU Optimiser Personal Pension Additional		3830	3830			
NU Executive & Directors Personal Pension	94	15846	15846	1058	9766	2975
NU Free Standing AVC Plan	28	1664	1664	158	808	

Form 47
(Sheet 5)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
NU Free Standing AVC Plan Additional		279	279			
NU Personal Transfer Plan	1080	45870	45870			
NU Self Invested Personal Pension	2108	285837	285837			
NU Self Invested Personal Pension Additional		8569	8569			
NU Group Pension Investment Bond	433	50190	50190			
NU Designer Personal Pension	4753	16470	16470	13242	39593	
NU Designer Personal Pension Additional		16125	16125			
Stakeholder NU Your Pension	17187	373510	373510	63353	110292	
Stakeholder NU Your Pension Additional		136199	136199			
NU Your Pension Select (Post 6/4/01)	5917	181810	181810	18547	45923	
NU Your Pension Select Additional (Post 6/4/01)		78350	78350			
Stakeholder NU Designer Personal Pension	5382	11740	11740	6166	12606	
Stakeholder NU Designer Personal Pension Additional		7620	7620			
NU Group AVC	2687	18805	18805	2550	6567	
NU Variable Money Purchase Plan	24135	166302	166302	10127	14714	
Sub total: Other Linked Contracts	**65322**	**1534821**	**1534821**	**122659**	**271972**	**3137**
Total: Pension Insurance Business	**66710**	**1566301**	**1534970** **3276 pa**	**122670**	**272117**	**3948** **236 pa**

Form 47
(Sheet 6)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Permanent Health Insurance Business						
Non-Linked Non-Profit Policies						
Group Disability	11504	15822	107624			
NU Your Pension Protector				5240	414	851
Sub total: Non-Linked Non-Profit Policies	**11504**	**15822**	**107624**	**5240**	**414**	**851**
Total: Permanent Health Insurance Business	**11504**	**15822**	**107624**	**5240**	**414**	**851**
Total: UK Direct Written Insurance Business	**277092**	**3522233**	**4338440** **3294 pa**	**164604**	**279150**	**637642** **236 pa**

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
UK REINSURANCE ACCEPTED						
Life Assurance & General Annuity Insurance Business						
Accumulating With-Profits Policies						
Joint Venture Bond	19357	225454	225454			
Sub total: Accumulating With-Profits Policies	**19357**	**225454**	**225454**			
Non-Linked Non-Profit Policies						
Term Assurance : Level				1578	8	72374
Term Assurance : Decreasing				1335	85	35090
Sub total: Non-Linked Non-Profit Policies				**2913**	**93**	**107464**
Total: Life Assurance & General Annuity Insurance Business	**19357**	**225454**	**225454**	**2913**	**93**	**107464**

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Permanent Health Insurance Business						
Non-Linked Non-Profit Policies						
Term Assurance : With Critical Illness				427	2	12805
Decreasing Term Assurance : With Critical Illness				964	4	22610
Sub total: Non-Linked Non-Profit Policies				**1391**	**6**	**35415**
Total: Permanent Health Insurance Business				**1391**	**6**	**35415**
Total: UK Reinsurance Accepted	**19357**	**225454**	**225454**	**4304**	**99**	**142879**

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
OVERSEAS DIRECT WRITTEN INSURANCE BUSINESS						
Life Assurance & General Annuity Insurance Business						
Accumulating With-Profits Policies						
Retirement Annuity					4	7 pa
Retirement Annuity additional		23	2 pa			
Sub total: Accumulating With-Profits Policies		**23**	**2 pa**		**4**	**7 pa**
Non-Linked With-Profits Policies						
Whole Life Assurance				11	70	1023
Endowment Assurance				1	2	16
Economy Endowment Assurance					2	
Group Deferred Life Annuity		224	40 pa		62	25 pa
Group Reversionary Annuity		41	20 pa		3	4 pa
Sub total: Non-Linked With-Profits Policies		**265**	**60 pa**	**12**	**139**	**1039** **29 pa**
Non-Linked Non-Profit Policies						
Term Assurance : Decreasing				10		18
Term Assurance : Income Benefits				11	2	1537
Group Term Assurance					3	323
Group Widows Death In Service						4 pa

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Annuity in Payment	10	978	88 pa			
Group Annuity in Payment	1	37	4 pa			
Sub total: Non-Linked Non-Profit Policies	**11**	**1015**	**92 pa**	**21**	**5**	**1878**
						4 pa
Other Linked Contracts						
Personal Pension Scheme		448	448		357	
Personal Pension Scheme Additional		923	923			
International Investment Plan					12	
International Investment Plan Additional		2571	2571			
Self Invested Personal Pension Additional		63	63			
Group Pension Investment Bond		50	50			
Executive Pension Plan		50	50		68	
NU Optimiser Personal Pension	156	6179	6179	961	2112	
NU Optimiser Personal Pension Additional		411	411			
NU International Investment Plan	136	8255	8255	17	66	
NU International Investment Plan Additional		472	472			
NU Self Invested Personal Pension	20	1263	1263			
NU Self Invested Personal Pension Additional		359	359			
NU Executive & Directors Personal Pension	6	476	476	267	1628	405
Multi Portfolio	976	48580	49066			

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Irish Portfolio Pension	15	76	76	53	257	279
Sub total: Other Linked Contracts	**1309**	**70176**	**70662**	**1298**	**4500**	**684**
Total: Life Assurance & General Annuity Insurance Business	**1320**	**71479**	**70662** **154 pa**	**1331**	**4648**	**3601** **40 pa**
Total: Overseas Direct Written Insurance Business	**1320**	**71479**	**70662** **154 pa**	**1331**	**4648**	**3601** **40 pa**

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
OVERSEAS REINSURANCE ACCEPTED						
Life Assurance & General Annuity Insurance Business						
Accumulating With-Profits Policies						
NU International Bond	90	4381	4381			
Sub total: Accumulating With-Profits Policies	**90**	**4381**	**4381**			
Non-Linked Non-Profit Policies						
Term Assurance : Level				23		1439
Term Assurance : Decreasing				36		1379
Sub total: Non-Linked Non-Profit Policies				**59**		**2818**
Total: Life Assurance & General Annuity Insurance Business	**90**	**4381**	**4381**	**59**		**2818**

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R47	226742	GL	31	12	2002	£000

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
Permanent Health Insurance Business						
Non-Linked Non-Profit Policies						
Term Assurance : With Critical Illness				3		261
Decreasing Term Assurance : With Critical Illness				26		986
Sub total: Non-Linked Non-Profit Policies				**29**		**1247**
Total: Permanent Health Insurance Business				**29**		**1247**
Total: Overseas Reinsurance Accepted	**90**	**4381**	**4381**	**88**		**4065**

Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefits

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R48	**226742**	**GL**	**31**	**12**	**2002**	**£000**	**11**

Type of asset			Value of admissible assets as shown on Form 13 **1**	Expected income from admissible assets **2**	Yield % **3**
Land and buildings		**11**	1184851	81546	6.88
Fixed interest securities	Approved securities	**12**	2816855	142186	4.49
	Other	**13**	2240115	116494	5.17
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	**14**	2652	66	2.30
	Other	**15**	23939	1341	5.70
Equity shares and holdings in collective investment schemes		**16**	3808654	165721	4.35
Loans secured by mortgages		**17**	118		
All other assets	Producing income	**18**	398317	16944	4.25
	Not producing income	**19**	284809		
Total (11 to 19)		**29**	10760310	524298	4.72

Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefits

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R48	**226742**	**GL**	**31**	**12**	**2002**	**£000**	**12**

Type of asset			Value of admissible assets as shown on Form 13 **1**	Expected income from admissible assets **2**	Yield % **3**
Land and buildings		**11**			
Fixed interest securities	Approved securities	**12**	17295	894	4.43
	Other	**13**	888	54	5.96
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	**14**			
	Other	**15**			
Equity shares and holdings in collective investment schemes		**16**			
Loans secured by mortgages		**17**			
All other assets	Producing income	**18**	9986	414	4.15
	Not producing income	**19**	10690		
Total (11 to 19)		**29**	38859	1362	3.17

Form 49

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Category of assets
R49	226742	GL	31	12	2002	£000	11

Redemption period in years			Value of admissible assets as shown on Form 13 1	Gross redemption yield % 2	Value of admissible higher yielding assets 3		Value of admissible assets as shown on Form 13 4	Gross redemption yield % 5	Value of admissible higher yielding assets 6
One year or less	11	Fixed interest approved securities	43505	1.51		Variable interest and variable yield approved securities excluding equities			
More than one year but not more than five years	12		114339	3.14					
More than five years but not more than ten years	13		228068	4.35	1907		2652	2.30	
More than ten years but not more than fifteen years	14		357103	4.53	2370				
More than fifteen years but not more than twenty years	15		851183	4.59	218				
More than twenty years but not more than twenty five years	16		393505	4.65	932				
More than twenty five years	17		829152	4.66					
Irredeemable	18								
Total (11 to 18)	19		2816855	4.49	5427		2652	2.30	
One year or less	21	Other fixed interest securities	731667	3.86		Other variable interest and variable yield securities excluding equities			
More than one year but not more than five years	22		48844	4.51	7751		170	8.33	170
More than five years but not more than ten years	23		221824	6.02	83863		438	9.28	438
More than ten years but not more than fifteen years	24		179188	5.87	25545				
More than fifteen years but not more than twenty years	25		207849	5.51	30119				
More than twenty years but not more than twenty five years	26		229111	5.81	16166		271	3.31	
More than twenty five years	27		408677	5.75	45526				
Irredeemable	28		212955	6.19	54371		23060	5.64	8890
Total (21 to 28)	29		2240115	5.17	263341		23939	5.70	9498

Form 49

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of assets **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of assets
R49	226742	GL	31	12	2002	£000	12

Redemption period in years			Value of admissible assets as shown on Form 13 1	Gross redemption yield % 2	Value of admissible higher yielding assets 3		Value of admissible assets as shown on Form 13 4	Gross redemption yield % 5	Value of admissible higher yielding assets 6
One year or less	11	Fixed interest approved securities				Variable interest and variable yield approved securities excluding equities			
More than one year but not more than five years	12		211	4.08					
More than five years but not more than ten years	13		2312	4.28					
More than ten years but not more than fifteen years	14		2835	4.44					
More than fifteen years but not more than twenty years	15		4759	4.48					
More than twenty years but not more than twenty five years	16		2791	4.48					
More than twenty five years	17		4387	4.45					
Irredeemable	18								
Total (11 to 18)	19		17295	4.43					
One year or less	21	Other fixed interest securities				Other variable interest and variable yield securities excluding equities			
More than one year but not more than five years	22								
More than five years but not more than ten years	23		161	6.05	56				
More than ten years but not more than fifteen years	24		224	5.86					
More than fifteen years but not more than twenty years	25								
More than twenty years but not more than twenty five years	26								
More than twenty five years	27		195	6.47					
Irredeemable	28		308	5.67					
Total (21 to 28)	29		888	5.96	56				

Form 51
(Sheet 1)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
DIRECT WRITTEN INSURANCE BUSINESS											
With-Profits Policies											
Whole life assurance	3.20%	Q	36747	876841	29247	16921	0.446	460622	370372	205351	255271
Endowment Insurance	3.20%	Q	217673	2886694	113779	75247	0.350	2082273	1008034	654901	1427372
Economy Endowment Insurance	3.20%	Q	22136	481527	17391	10175	0.419	342412	155601	90384	252028
Endowment with Critical Illness	3.20%	P	43574	736047	35991	22847	0.372	437821	451218	283564	154257
Miscellaneous:											
-Pure endowment insurance	3.20%	Q	42	163	3		0.472	162			162
-Parents Life	3.20%	Q	52	465	10	6	0.356	435	16	10	425
-Other assurance	-	-	4	134	1	1	0.493	76	11	6	70
Extra Premiums					931			931			931
Group Whole life assurance	3.20%	Q	3	57				43			43
Group Endowment insurance	3.20%	Q	162	278	1		0.515	227	5	3	224
Group Miscellaneous:											
-Group Other assurance	-	-	33	2149	49			1932			1932
Group Deferred annuity	4.50/4.00%	E	45	19 pa				293			293
Sub total: With-Profits Policies			**320471**	**4984355 19 pa**	**197403**	**125197**		**3327227**	**1985257**	**1234219**	**2093008**
Non-Profit Policies											
Whole life Assurance	3.20%	Q	15352	97944	1814	1395	0.182	57241	17481	14304	42937

Form 51
(Sheet 2)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Lifecover Plus	3.20%	J	2326	5929	367	318	0.134	4208	3063	2654	1554
Endowment Insurance	3.20%	Q	1078	3138	82	77	0.056	2799	208	196	2603
Term Assurance:											
-Level	3.20%	R	93414	8081230	29727			167052	175870	146304	20748
-Level	3.20%	R	51424	6436264	19481	17085	0.103	213783	175054	157042	56741
-Level With Critical Illness	3.20%	P	27384	2213482	4244	3870	0.053	66087	50251	47578	18509
-Decreasing Mortgage Protection	3.20%	S	110326	4089453	18980			122036	176135	118035	4001
-Decreasing Mortgage Protection	3.20%	S	6553	588101	2069	1704	0.180	28333	24254	19877	8456
-Decreasing	3.20%	Q	207980	3646538	21568			261257	229761	189643	71614
-Decreasing With Critical Illness	3.20%	C	11670	751047	1277	1073	0.157	18180	16940	14285	3895
-Income Benefits	3.20%	S	14399	542402	2201			6123	13082	6090	33
-Income Benefits	3.20%	Q	1576	146036	334	164	0.520	1796	3685	1769	27
-Increasing Income Benefits	3.20%	S	2216	119674	452			999	2078	994	5
-Increasing	3.20%	Q	1967	127829	434	237	0.440	3116	2664	1492	1624
-Decreasing with Critical Illness	3.20%	P	69641	2335207	10159			87244	135932	84787	2457
-Other	-	-	454	11940	30			82			82
-Serious Illness Contract	3.20%	L	35	1008	6	3	0.498	20	20	10	10
Miscellaneous:											
-Pure Endowment Insurance	3.20%	Q	5	1				1			1
-Other Assurance	3.20%	Q	22136	411409	1508			6332	13473	6318	14
-Other Assurance	-	-	437	18834	26	16	0.162	1037	141	118	919

Form 51
(Sheet 3)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Extra Premiums					1402			1402			1402
Group Whole Life Assurance	3.20%	Q	22	20			0.262	17			17
Group Endowment Insurance	3.20%	Q	551	148			0.148	133	1	1	132
Group Pure Endowment Insurance	3.20%	Q	74	38				29			29
Group Term Assurance : Level	3.20%	R	414	159	1			29	3		29
Group Term Assurance : Decreasing	-	-	1640037	1241158	414			11666			11666
Group Term Assurance : By RSP	-	-	26557	457741				1665			1665
Reserve for Options								3000			3000
Additional AIDS Reserve for Options								3167			3167
Annuity in Payment	5.20%	G	2913	1106 pa				8595			8595
Deferred Life Annuity	4.50%/4.00%	E	10	3 pa				40			40
Reversionary Annuity	5.20%	G	111	86 pa				137			137
Miscellaneous Annuity	-	-	13	15 pa				29			29
Group Annuity in Payment	5.20%	G	62	9 pa				41			41
Group Deferred Life Annuity	4.50%/4.00%	E	14385	254 pa	1		0.330	2815	4	2	2813
Group Deferred Reversionary Annuity	4.50%/4.00%	F	3	1 pa				2			2
Group Miscellaneous Annuity	-	-	14					21			21
Sub total: Non-Profit Policies			**2325539**	**31326730 1474 pa**	**116577**	**25942**		**1080514**	**1040100**	**811499**	**269015**

Form 51
(Sheet 4)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Sub total: Direct Written Insurance Business			**2646010**	**36311085** **1493 pa**	**313980**	**151139**		**4407741**	**3025357**	**2045718**	**2362023**
REASSURANCE ACCEPTED											
With-Profits Policies											
Whole life assurance	3.20%	Q	36	1204	7	4	0.436	797	58	33	764
Sub total: With-Profits Policies			**36**	**1204**	**7**	**4**		**797**	**58**	**33**	**764**
Non-Profit Policies											
Whole Life Assurance	3.20%	Q	30	199	2	1	0.263	141	20	15	126
Term Assurance:											
-Level	3.20%	R	2439	94225	427			2504	3934	2345	159
-Level	3.20%	R	102413	407961	906	789	0.130	13297	10044	8740	4557
-Level With Critical Illness	3.20%	P	41493	108392	170	154	0.095	3330	2278	2061	1269
-Decreasing Mortgage Protection	3.20%	S	9647	180360	1367			6535	11874	6308	227
-Decreasing Mortgage Protection	3.20%	S	27333	81603	260	217	0.166	3881	3220	2686	1195
-Decreasing With Critical Illness	3.20%	C	80751	184150	312	267	0.145	4900	4256	3640	1260
-Income Benefits	3.20%	S	1	117	1			4	3	3	1
-Increasing	3.20%	Q	1	301			0.018	1			1
-Other	-	-	2059	29503	62			68			68
Miscellaneous Assurance	-	-	4113	51030	261		0.379	144	1	1	143

Form 51
(Sheet 5)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51 226742	GL	31	12	2002	£000	UK	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Extra Premiums					13			13			13
Group Miscellaneous Assurance	-	-	1	15				1			1
Annuity in Payment	5.20%	G	5	31 pa				374			374
Reversionary Annuity	-	-	2	27 pa				124			124
Miscellaneous Annuity	-	-	8	2 pa				2			2
Group Miscellaneous Annuity	-	-	1					12			12
Sub total: Non-Profit Policies			**270297**	**1137856 60 pa**	**3781**	**1428**		**35331**	**35630**	**25799**	**9532**
Sub total: Reassurance Accepted			**270333**	**1139060 60 pa**	**3788**	**1432**		**36128**	**35688**	**25832**	**10296**
REASSURANCE CEDED											
With-Profits Policies											
Whole life assurance	3.20%	Q		3379	12	11	0.047	1624	160	152	1472
Endowment insurance	3.20%	Q		145638	9387	6346	0.345	91132	102216	66991	24141
Endowment with Critical Illness	3.20%	P		135910	7246	4482	0.387	77068	97897	59995	17073
Extra Premiums					204			204			204
Sub total: With-Profits Policies				**284927**	**16849**	**10839**		**170028**	**200273**	**127138**	**42890**

Form 51
(Sheet 6)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51 226742	GL	31	12	2002	£000	UK	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Non-Profit Policies											
Whole Life Assurance	3.20%	Q		638	13	10	0.194	480	91	74	406
Lifecover Plus	3.20%	J		2944	163	158	0.031	2089	1359	1317	772
Term Assurance:											
-Level	3.20%	R		7618224	26925			162705	160908	144419	18286
-Level	3.20%	R		6021774	19405	15878	0.126	198862	167575	146544	52318
-Level With Critical Illness	3.20%	P		1997376	3728	3490	0.018	59537	43662	42867	16670
-Decreasing Mortgage Protection	3.20%	S		3813546	17276			107557	156874	104779	2778
-Decreasing Mortgage Protection	3.20%	S		588101	2069	1704	0.180	28333	24254	19877	8456
-Decreasing	3.20%	Q		1490401	13203			187431	144220	138829	48602
-Decreasing With Critical Illness	3.20%	C		751047	1277	1073	0.157	18180	16940	14285	3895
-Income Benefits	3.20%	S		4208	17			64	103	64	
-Income Benefits	3.20%	Q		146036	334	164	0.520	1796	3685	1769	27
-Increasing Income Benefits	3.20%	S		2576	10			44	61	44	
-Increasing	3.20%	Q		5550	13	8	0.376	117	92	57	60
-Decreasing with Critical Illness	3.20%	P		1439759	6154			57134	84333	55682	1452
-Other	-	-		181724	849			876			876
-Serious Illness Contract	3.20%	L		146			0.441	4	1	1	3
Miscellaneous Assurance	-	-		5447	1		0.648	69			69
Extra Premiums					1220			1220			1220
Group Whole Life Assurance	3.20%	Q		2				2			2

Form 51
(Sheet 7)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Group Term Assurance : Decreasing	-	-		1125092				11139			11139
Group Term Assurance : By RSP	-	-		456074				1640			1640
Annuity in Payment	5.20%	G		7 pa				33			33
Reversionary Annuity	-	-		3 pa							
Sub total: Non-Profit Policies				**25650665** **10 pa**	**92657**	**22485**		**839312**	**804158**	**670608**	**168704**
Sub total: Reassurance Ceded				**25935592** **10 pa**	**109506**	**33324**		**1009340**	**1004431**	**797746**	**211594**
Net total: Life Assurance & General Annuity Insurance Business			**2916343**	**11514553** **1543 pa**	**208262**	**119247**		**3434529**	**2056614**	**1273804**	**2160725**

Form 51
(Sheet 8)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	Pens	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
DIRECT WRITTEN INSURANCE BUSINESS											
With-Profits Policies											
Group Cash on Retirement	4.50/4.00%	E	1667	91417	1032	776	0.256	89312	7319	5444	83868
Group Cash on Retirement	4.50%	B	327	940			0.798	1729	1		1729
Group Term	4.50%	Q	99	811			0.720	38	1		38
Group Deferred Annuity	4.50/4.00%	E	3774	9273 pa	614	465	0.230	104060	4317	3326	100734
Group Deferred Reversionary Annuity	4.50/4.00%	F	752	1146 pa	10	7	0.317	4094	43	29	4065
Group Miscellaneous Annuities	-	-	96	43 pa	1		0.285	163	6	4	159
Immediate Annuity	0.75%	H	753	2842 pa				37564			37564
Sub total: With-Profits Policies			**7468**	**93168**	**1657**	**1248**		**236960**	**11687**	**8803**	**228157**
				13304 pa							
Non-Profit Policies											
Term Assurance : Level	4.00%	R	10946	938177	4193			29995	27017	22632	7363
Term Assurance : Level	4.00%	Q	104	10194	48	34	0.289	422	538	382	40
Term Assurance : Decreasing	4.00%	Q	430	20758	108	54	0.427	490	616	353	137
Term Assurance : Income Benefits	4.00%	Q	378	15523	65	26	0.471	145	247	131	14
Term Assurance : Increasing	4.00%	R	211	25735	71			639	410	381	258
Annuity in Payment	5.20%	U	23269	32175 pa				378494			378494
Retirement Annuity	4.50/4.00%	E	214	22 pa			0.050	297	1	1	296
Deferred Annuity	4.50/4.00%	F	3	5 pa				65			65

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	Pens	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Reversionary Annuity	5.20%	U	3596	4609 pa				18901			18901
Extra Premiums					22			22			22
Group Cash on Retirement	4.50%	B	1785	3451			0.050	1814			1814
Group Term : By AP Level	4.00%	D	3767	143103	889			6424	5012	4034	2390
Group Term : By RSP	-	-	1396	22854				36			36
Group Term : Other	-	-	14	428	2			2			2
Group Miscellaneous Assurance	-	-	130	17138	8			41			41
Group Annuity in Payment	5.20%	U	80	13 pa				56			56
Group Annuity in Payment	5.20%	T	1784	326 pa				2349			2349
Group Retirement Annuity	4.50/4.00%	E	816	307 pa				3049			3049
Group Deferred Life Annuity	4.50/4.00%	E	11316	5686 pa	1	1	0.128	50480	5	4	50476
Group Deferred Reversionary Annuity	4.50/4.00%	F	2217	1859 pa				4369			4369
Group Miscellaneous Annuity	-	-	1435	1280 pa	10	8	0.189	455	51	41	414
Extra Premiums					30			30			30
Premiums not yet allocated								175			175
Sub total: Non-Profit Policies			**63891**	**1197361** **46282 pa**	**5447**	**123**		**498750**	**33897**	**27959**	**470791**
Sub total: Direct Written Insurance Business			**71359**	**1290529** **59586 pa**	**7104**	**1371**		**735710**	**45584**	**36762**	**698948**

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	Pens	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
REASSURANCE ACCEPTED											
Non-Profit Policies											
Term Assurance : Level	4.00%	R	66	2633	15			81	133	79	2
Term Assurance : Other	-	-	32	496	2			1			1
Annuity in Payment	5.20%	T	286	162 pa				2408			2408
Retirement Annuity	4.50/4.00%	E	2	2 pa				14			14
Reversionary Annuity	5.20%	T	54	27 pa				104			104
Extra Premiums											
Group Term : By AP Level	4.00%	D	11	1090	5			32	23	16	16
Group Term : By RSP	-	-	23	4464				7			7
Group Annuity in Payment	5.20%	U	1								
Sub total: Non-Profit Policies			**475**	**8683** **191 pa**	**22**			**2647**	**156**	**95**	**2552**
Sub total: Reassurance Accepted			**475**	**8683** **191 pa**	**22**			**2647**	**156**	**95**	**2552**
REASSURANCE CEDED											
Non-Profit Policies											
Term Assurance : Level	4.00%	R		924762	4100			29142	26140	22297	6845
Term Assurance : Level	4.00%	Q		13194	56	34	0.289	429	537	382	47

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51 226742	GL	31	12	2002	£000	UK	Pens	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Term Assurance : Decreasing	4.00%	Q		145	2	1	0.419	4	5	3	1
Term Assurance : Income Benefits	4.00%	Q		43	1		0.824		2		
Annuity in Payment	5.20%	U		9 pa				44			44
Reversionary Annuity	5.20%	U		3 pa				7			7
Extra Premiums					12			12			12
Group Term Assurance By AP Level	4.00%	D		30547	250			1150	1331	844	306
Group Term Assurance By RSP	-	-		4717				7			7
Group Miscellaneous Assurance	-	-		696				2			2
Group Miscellaneous Annuity	-	-		100 pa	5	3	0.307	33	16	11	22
Extra Premiums					2			2			2
Sub total: Non-Profit Policies				**974104** **112 pa**	**4428**	**38**		**30832**	**28031**	**23537**	**7295**
Sub total: Reassurance Ceded				**974104** **112 pa**	**4428**	**38**		**30832**	**28031**	**23537**	**7295**
Net total: Pension Insurance Business			**71834**	**325108** **59665 pa**	**2698**	**1333**		**707525**	**17709**	**13320**	**694205**

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(Sheet 12)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Permanent Health Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	PHI	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
REASSURANCE ACCEPTED											
Non-Profit Policies											
Term Assurance : With Critical Illness	3.20%	P	41493	108392	328	304	0.074	6683	4391	4064	2619
Decreasing Term Assurance : With Critical Illness	3.20%	C	80751	184150	517	437	0.156	7956	7086	5982	1974
Sub total: Non-Profit Policies			**122244**	**292542**	**845**	**741**		**14639**	**11477**	**10046**	**4593**
Sub total: Reassurance Accepted			**122244**	**292542**	**845**	**741**		**14639**	**11477**	**10046**	**4593**
Net total: Permanent Health Insurance Business			**122244**	**292542**	**845**	**741**		**14639**	**11477**	**10046**	**4593**
Net total: United Kingdom Insurance Business			**3110421**	**12132203** **61208 pa**	**211805**	**121321**		**4156693**	**2085800**	**1297170**	**2859523**

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	OS	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
DIRECT WRITTEN INSURANCE BUSINESS											
With-Profits Policies											
Whole life assurance	3.20%	Q	133	3147	129	75	0.422	1758	1774	1025	733
Endowment insurance	3.20%	Q	1272	32140	1372	929	0.339	22985	11737	7759	15226
Economy endowment insurance	3.20%	Q	176	6759	294	175	0.412	4741	2602	1530	3211
Endowment with Critical Illness	3.20%	P	299	8216	418	268	0.365	5123	4801	3047	2076
Extra Premiums					21			21			21
Group Miscellaneous assurance	-	-	10	731	6	2	0.220	696	14	11	685
Group Deferred Annuity	4.50/4.00%	E	168	1650 pa	508	355	0.362	16878	3637	2322	14556
Group Deferred Reversionary Annuity	4.50/4.00%	F	24	94 pa	11	7	0.389	226	68	42	184
Sub total: With-Profits Policies			**2082**	**50993**	**2759**	**1811**		**52428**	**24633**	**15736**	**36692**
				1744 pa							
Non-Profit Policies											
Whole life assurance	3.20%	Q	66	1244	20	19	0.082	780	224	205	575
Endowment insurance	3.20%	Q	8	15			0.049	12	1	1	11
Term Assurance:											
-Level	3.20%	R	625	85256	349			1916	1894	1662	254
-Level	3.20%	R	684	121924	389	332	0.121	4075	3460	3040	1035
-Level With Critical Illness	3.20%	P	249	33070	61	56	0.049	834	630	599	235
-Decreasing Mortgage Protection	3.20%	S	1763	168159	473			4188	5399	4050	138

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	OS	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
-Decreasing Mortgage Protection	3.20%	S	338	45185	119	99	0.166	1731	1492	1244	487
-Decreasing	3.20%	Q	995	24832	100			741	1055	683	58
-Decreasing With Critical Illness	3.20%	C	287	29235	44	38	0.120	660	592	521	139
-Income Benefits	3.20%	S	48	1824	9			20	44	20	
-Income Benefits	3.20%	Q	25	1729	5	2	0.507	17	34	17	
-Increasing Income Benefits	3.20%	S	30	2013	9			14	33	13	1
-Increasing	3.20%	Q	29	5266	18	11	0.370	173	140	88	85
-Other	-	-	3	56				1			1
-Decreasing with Critical Illness	3.20%	P	836	67722	297			2837	3971	2774	63
-German	-	-	284	24046	114			114			114
-Irish	-	-	98	16741	86			86			86
Miscellaneous Assurance	3.20%	Q	176	6269	20			108	191	108	
Miscellaneous Assurance	-	-	2	703				2			2
Extra Premiums					33			33			33
Group Whole Life Assurance	3.20%	Q	29	109				94			94
Group Term Assurance: Level	3.20%	R	272	6333	40			253	355	221	32
Group Term Assurance by RSP	-	-	7	84							
Extra Premiums											
Annuity in Payment	5.20%	G	235	750 pa				8898			8898
Reversionary Annuity	5.20%	G	35	87 pa				243			243
Group Deferred Annuity	4.50/4.00%	E	1	3 pa				20			20

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	OS	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Group Deferred Reversionary Annuity	4.50/4.00%	F	9	4 pa				12			12
Group Miscellaneous Annuity	-	-	8	85 pa	4	4	0.053	49	27	26	23
Sub total: Non-Profit Policies			**7142**	**641815** **929 pa**	**2190**	**561**		**27911**	**19542**	**15272**	**12639**
Sub total: Direct Written Insurance Business			**9224**	**692808** **2673 pa**	**4949**	**2372**		**80339**	**44175**	**31008**	**49331**
REASSURANCE ACCEPTED											
Non-Profit Policies											
Term assurance:											
-Level	3.20%	R	932	5650	14	13	0.105	205	154	138	67
-Level With Critical Illness	3.20%	P	419	1539	3	3	0.074	47	33	30	17
-Decreasing Mortgage Protection	3.20%	S	1480	6747	15	13	0.158	241	201	169	72
-Decreasing With Critical Illness	3.20%	C	1759	6121	9	8	0.102	145	123	111	34
Sub total: Non-Profit Policies			**4590**	**20057**	**41**	**37**		**638**	**511**	**448**	**190**
Sub total: Reassurance Accepted			**4590**	**20057**	**41**	**37**		**638**	**511**	**448**	**190**
REASSURANCE CEDED											

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51 226742	GL	31	12	2002	£000	OS	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
With-Profits Policies											
Endowment insurance	3.20%	Q		1470	90	61	0.343	909	972	638	271
Endowment with Critical Illness	3.20%	P		1127	63	38	0.388	651	829	508	143
Extra Premiums					3			3			3
Sub total: With-Profits Policies				**2597**	**156**	**99**		**1563**	**1801**	**1146**	**417**
Non-Profit Policies											
Term Assurance:											
-Level	3.20%	R		82402	319			1812	1802	1581	231
-Level	3.20%	R		113862	378	309	0.111	3867	3284	2918	949
-Level With Critical Illness	3.20%	P		29800	55	50	0.039	751	562	540	211
-Decreasing Mortgage Protection	3.20%	S		154457	422			3953	4710	3834	119
-Decreasing Mortgage Protection	3.20%	S		45185	119	99	0.166	1731	1492	1244	487
-Decreasing	3.20%	Q		2769	22			317	273	264	53
-Decreasing With Critical Illness	3.20%	C		29235	44	38	0.120	660	592	521	139
-Income Benefits	3.20%	S		26					1		
-Income Benefits	3.20%	Q		1729	5	2	0.507	17	34	17	
-Increasing Income Benefits	3.20%	S		104	1			1	3	1	
-Increasing	3.20%	Q		543	2	1	0.265	18	11	8	10
-Other	-	-		4187	17			17			17
-Decreasing with Critical Illness	3.20%	P		53008	224			2217	3049	2177	40

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	OS	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
Extra Premiums					30			30			30
Sub total: Non-Profit Policies				**517307**	**1638**	**499**		**15391**	**15813**	**13105**	**2286**
Sub total: Reassurance Ceded				**519904**	**1794**	**598**		**16954**	**17614**	**14251**	**2703**
Net total: Life Assurance & General Annuity Insurance Business			**13814**	**192961** **2673 pa**	**3196**	**1811**		**64023**	**27072**	**17205**	**46818**

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

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Permanent Health Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	OS	PHI	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
REASSURANCE ACCEPTED											
Non-Profit Policies											
Term Assurance : With Critical Illness	3.20%	P	419	1539	6	5	0.063	102	68	63	39
Decreasing Term Assurance : With Critical Illness	3.20%	C	1759	6121	16	14	0.132	251	222	193	58
Sub total: Non-Profit Policies			**2178**	**7660**	**22**	**19**		**353**	**290**	**256**	**97**
Sub total: Reassurance Accepted			**2178**	**7660**	**22**	**19**		**353**	**290**	**256**	**97**
Net total: Permanent Health Insurance Business			**2178**	**7660**	**22**	**19**		**353**	**290**	**256**	**97**
Net total: Overseas Insurance Business			**15992**	**200621** **2673 pa**	**3218**	**1830**		**64376**	**27362**	**17461**	**46915**

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(Sheet 19)

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Permanent Health Insurance Business**

Category of surplus **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	PHI	13

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
DIRECT WRITTEN INSURANCE BUSINESS											
Non-Profit Policies											
Sickness Benefits	3.75%	V	9918	1316 omb	1784	1459	0.182	27317	15572	12731	14586
Income Replacement Plan	3.75%	V	4919	713 omb	1078	792	0.265	17255	16063	11803	5452
Accident Benefits	-	-	655	5001	2			49			49
Term Assurance: Serious Illness Contract	3.20%	L	35	543	3	2	0.498	11	11	5	6
Term Assurance: Critical Illness Contract	4.00%	M	9049	499081	2990	2616	0.118	41022	31612	27876	13146
Term Assurance: With Critical Illness	3.20%	P	27633	2246552	7400	6723	0.076	124996	88015	81341	43655
Decreasing Term Assurance: With Critical Illness	3.20%	C	11957	780281	2308	1897	0.177	32332	30937	25463	6869
Occupational Extras					120			120			120
Group Disability			325928	283811				35497			35497
NU Your Pension Protector	-	-	8916	1452	710			710			710
Group Sickness Benefits			1	378 omb				499			499
Sickness Claims in Payment	4.00%	V						16811			16811
Sub total: Non-Profit Policies			**399011**	**3816721** **2407 omb**	**16395**	**13489**		**296619**	**182210**	**159219**	**137400**
Sub total: Direct Written Insurance Business			**399011**	**3816721** **2407 omb**	**16395**	**13489**		**296619**	**182210**	**159219**	**137400**

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Permanent Health Insurance Business**

Category of surplus **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	226742	GL	31	12	2002	£000	UK	PHI	13

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
REASSURANCE ACCEPTED											
Non-Profit Policies											
Sickness Benefits	3.75%	V	9	1 omb	1	1	0.121	9	6	5	4
Miscellaneous Sickness Benefits	-	-	29		1	1	0.141	3	2	2	1
Sub total: Non-Profit Policies			**38**	**1 omb**	**2**	**2**		**12**	**8**	**7**	**5**
Sub total: Reassurance Accepted			**38**	**1 omb**	**2**	**2**		**12**	**8**	**7**	**5**
REASSURANCE CEDED											
Non-Profit Policies											
Sickness Benefits	3.75%	V		252 omb	342	280	0.182	5235	2984	2440	2795
Income Replacement Plan	3.75%	V		681 omb	1030	757	0.265	16495	15355	11283	5212
Accident Benefits	-	-		708							
Term Assurance: Serious Illness Contract	3.20%	L		79			0.442	2	1		2
Term Assurance: Critical Illness Contract	4.00%	M		398251	2425	2131	0.114	34124	26018	23040	11084
Term Assurance: With Critical Illness	3.20%	P		2246552	7400	6723	0.076	124996	88015	81341	43655
Decreasing Term Assurance: With Critical Illness	3.20%	C		780281	2308	1897	0.177	32332	30937	25463	6869
Term Assurance: Other	-	-									
Occupational Extras					94			94			94
Group Disability	-	-		263139				33392			33392

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

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Permanent Health Insurance Business**

Category of surplus **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R51	**226742**	**GL**	**31**	**12**	**2002**	**£000**	**UK**	**PHI**	**13**

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums: Office premiums	Amount of annual premiums: Net premiums	Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums: Office premiums	Value of annual premiums: Net premiums	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12
NU Your Pension Protector	-	-		1452	710			710			710
Sickness Claims In Payment	4.00%	V						4079			4079
Sub total: Non-Profit Policies				**3690462** **933 omb**	**14309**	**11788**		**251459**	**163310**	**143567**	**107892**
Sub total: Reassurance Ceded				**3690462** **933 omb**	**14309**	**11788**		**251459**	**163310**	**143567**	**107892**
Net total: Permanent Health Insurance Business			**399049**	**126259** **1475 omb**	**2088**	**1703**		**45172**	**18908**	**15659**	**29513**
Net total: United Kingdom Insurance Business			**399049**	**126259** **1475 omb**	**2088**	**1703**		**45172**	**18908**	**15659**	**29513**

Form 52
(Sheet 1)

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R52 226742	GL	31	12	2002	£000	UK	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses: Guaranteed on death	Current on death	Guaranteed on maturity	Amount of annual premiums: Office premiums	Net premiums	Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses: Current benefit value	Discounted value	Other liabilities: Mortality and expenses	Options and guarantees other than investment performance guarantees	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS														
Unitised With Profit	3.80%	A		9093505	9093505	9093505				7695015	7695015			7695015
Income Fund	3.80%	A		939658	939658	939658				744895	744895			744895
Swedish UWP	3.80%	A		83587	83587					69711	69711			69711
Sub total: Direct Written Insurance Business				**10116750**	**10116750**	**10033163**				**8509621**	**8509621**			**8509621**
REASSURANCE ACCEPTED														
Joint Venture Bond	3.80%	A	15425	164904	164904	164904				139981	139981			139981
Joint Venture Bond Income Fund	3.80%	A	3835	60341	60341	60341				51265	51265			51265
Sub total: Reassurance Accepted			**19260**	**225245**	**225245**	**225245**				**191246**	**191246**			**191246**
REASSURANCE CEDED														
Unitised With Profit	3.80%	A		5243232	5243232	5243232				4345784	4345784			4345784
Income Fund	3.80%	A		682810	682810	682810				536402	536402			536402
Sub total: Reassurance Ceded				**5926042**	**5926042**	**5926042**				**4882186**	**4882186**			**4882186**
Net total: Life Assurance & General Annuity Insurance Business			**19260**	**4415953**	**4415953**	**4332366**				**3818681**	**3818681**			**3818681**

Form 52
(Sheet 2)

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R52	226742	GL	31	12	2002	£000	UK	Pens	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses: Guaranteed on death	Current on death	Guaranteed on maturity	Amount of annual premiums: Office premiums	Net premiums	Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses: Current benefit value	Discounted value	Other liabilities: Mortality and expenses	Options and guarantees other than investment performance guarantees	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS														
Unitised With Profit - Individual	4.50%	A		1648859	1648859	1648859				1505928	1505928			1505928
Unitised With Profit - Group	4.50%	A		626180	626180					586228	586228			586228
Retirement Annuity	4.50/4.00%	E	19893	216111	216111	62375 pa	5128				452082			452082
Additional Reserve														3280
Sub total: Direct Written Insurance Business			**19893**	**2491150**	**2491150**	**1648859 62375 pa**	**5128**			**2092156**	**2544238**			**2547518**
REASSURANCE CEDED														
Unitised With Profit - Individual	4.50%	A		670949	670949	670949				599319	599319			599319
Unitised With Profit - Group	4.50%	A		254533	254533					236733	236733			236733
Sub total: Reassurance Ceded				**925482**	**925482**	**670949**				**836052**	**836052**			**836052**
Net total: Pension Insurance Business			**19893**	**1565668**	**1565668**	**977910 62375 pa**	**5128**			**1256104**	**1708186**			**1711466**
Net total: United Kingdom Insurance Business			**39153**	**5981621**	**5981621**	**5310276 62375 pa**	**5128**			**5074785**	**5526867**			**5530147**

Form 52
(Sheet 3)

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R52	226742	GL	31	12	2002	£000	OS	L&GA	11

Type of insurance or name of contract	Valuation basis: Rate of interest	Valuation basis: Mortality or morbidity table	No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses: Guaranteed on death	Current on death	Guaranteed on maturity	Amount of annual premiums: Office premiums	Net premiums	Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses: Current benefit value	Discounted value	Other liabilities: Mortality and expenses	Options and guarantees other than investment performance guarantees	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS														
Valeur Plus	3.80%	A		144865	144865					120726	120726			120726
German UWP	3.80%	A		3154	3154					2662	2662			2662
Irish UWP	3.80%	A		175515	175515					147275	147275			147275
Unitised With Profit - Individual	4.50%	A		300075	300075	300075				278741	278741			278741
Unitised With Profit - Group	4.50%	A		14816	14816					13382	13382			13382
Retirement Annuities	4.50/4.00%	E	148	4561	4561	1366 pa	232				9831			9831
Sub total: Direct Written Insurance Business			**148**	**642986**	**642986**	**300075 1366 pa**	**232**			**562786**	**572617**			**572617**
REASSURANCE ACCEPTED														
NU International Bond	-	-	90	4567	4567	4567				4567	4567			4567
Sub total: Reassurance Accepted			**90**	**4567**	**4567**	**4567**				**4567**	**4567**			**4567**
REASSURANCE CEDED														
Unitised With Profit - Individual	4.50%	A		86609	86609	86609				79835	79835			79835
Unitised With Profit - Group	4.50%	A		6963	6963					6124	6124			6124
Sub total: Reassurance Ceded				**93572**	**93572**	**86609**				**85959**	**85959**			**85959**

Form 52
(Sheet 4)

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R52	226742	GL	31	12	2002	£000	OS	L&GA	11

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Net total: Life Assurance & General Annuity Insurance Business			**238**	**553981**	**553981**	**218033 1366 pa**	**232**			**481394**	**491225**			**491225**
Net total: Overseas Insurance Business			**238**	**553981**	**553981**	**218033 1366 pa**	**232**			**481394**	**491225**			**491225**

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(Sheet 5)

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **Stakeholder**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R52	226742	GL	31	12	2002	£000	UK	Pens	12

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS Unitised With Profit - Individual	4.50%	A		274321	274321	274321				247317	247317	3626		250943
Sub total: Direct Written Insurance Business				**274321**	**274321**	**274321**				**247317**	**247317**	**3626**		**250943**
REASSURANCE CEDED														
Unitised With Profit - Individual	4.50%	A		185470	185470	185470				166614	166614	3626		170240
Sub total: Reassurance Ceded				**185470**	**185470**	**185470**				**166614**	**166614**	**3626**		**170240**
Net total: Pension Insurance Business				**88851**	**88851**	**88851**				**80703**	**80703**			**80703**
Net total: United Kingdom Insurance Business				**88851**	**88851**	**88851**				**80703**	**80703**			**80703**

Form 53
(Sheet 1)

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	L&GA	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Equity Endowment Assurance	-	-	12	29	183	29	1		Authorised	183	183			183
Maturity Guarantee Reserve									Unit Trust					3
Investment Bond	3.4%	D	35639	39770	143233				Internal Fund	115554	115554	1496		117050
Portfolio Bond	3.4%	D	231940	1319172	1620115				Internal Fund	1366017	1366017	14321		1380339
Kaleidoscope 1992	3.4%	D	10727	1014097	1014135		5295		Internal Fund	5447	5447	307		5754
Lifetrack 1991	3.4%	K	4209	345360	345360		2667		Internal Fund	1952	1952	1031		2983
Homemaker Plus	3.4%	D	18380	770429	770429		20023		Internal Fund	8552	8552	718		9269
Swedish Personal Investment Plan Single	3.4%	D	2880		4043				Internal Fund	3161	3161	12		3173
Swedish Personal Investment Plan Regular	3.4%	D	865		1227		899		Internal Fund	1192	1192	34		1227
NU Bond	3.4%	D	187698	608218	674615				Internal Fund	553696	553696	(24603)		529093
NU Bond 2000	3.4%	D	22011	43346	50746					36042	36042	(1162)		34880
NU Flexibond	3.4%	D	12627	126173	131162				Internal Fund	108672	108672	(2523)		106149
NU Homemaker Plus	3.4%	D	4067	222826	222826		5891		Internal Fund	2585	2585	83		2668
Miscellaneous:														
-Kaleidoscope	3.4%	D	3127	286369	286408		1628		Internal Fund	4495	4495	72		4567
-Lifetrack	3.4%	K	287	16203	16203		127		Internal Fund	318	318	20		337

Form 53
(Sheet 2)

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	L&GA	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
-Stepping Stone	3.4%	D	2185	64678	64678		1420		Internal Fund	10438	10438	397		10835
-Low Start Stepping Stone	3.4%	D	352	12730	12730		312		Internal Fund	2020	2020	94		2114
-GA Maximum Investment Plan	3.4%	D	406	1560	1794		339		Internal Fund	1402	1402	3		1406
-Rider Benefits	-	-	17032		26559 18111 pa		354					15		15
Death Benefit Guarantee Reserve														10700
Guaranteed Fund Reserve														42200
Sub total: Non-Profit Policies			**554444**	**4870960**	**5386446** **18111 pa**	**29**	**38956**			**2221726**	**2221726**	**(9685)**		**2264945**
Sub total: Direct Written Insurance Business			**554444**	**4870960**	**5386446** **18111 pa**	**29**	**38956**			**2221726**	**2221726**	**(9685)**		**2264945**
REASSURANCE ACCEPTED **Non-Profit Policies**														
Risk Premium				132827	137805		382					16		16
Sub total: Non-Profit Policies				**132827**	**137805**		**382**					**16**		**16**

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	L&GA	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sub total: Reassurance Accepted				**132827**	**137805**		**382**					**16**		**16**
REASSURANCE CEDED														
Non-Profit Policies														
Investment Bond	3.4%	D		17643	130271				Internal Fund	115554	115554	4		115558
Portfolio Bond	3.4%	D		17767	1382833				Internal Fund	1366017	1366017	(11551)		1354467
Kaleidoscope 1992	3.4%	D		1014097	1014135		2749		Internal Fund	5447	5447	307		5754
Lifetrack 1991	3.4%	K		345360	345360		1494		Internal Fund	1952	1952	1031		2983
Homemaker Plus	3.4%	D		770429	770429		15708		Internal Fund	8552	8552	697		9249
Swedish Personal Investment Plan Single	3.4%	D			3161				Internal Fund	3161	3161			3161
Swedish Personal Investment Plan Regular	3.4%	D			1192		355		Internal Fund	1192	1192	34		1227
NU Bond	3.4%	D		10710	573720				Internal Fund	553696	553696	(24623)		529073
NU Bond 2000	3.4%	D		2170	41889					36042	36042	(1164)		34878
NU Flexibond	3.4%	D		402	111720				Internal Fund	108672	108672	(2527)		106145
NU Homemaker Plus	3.4%	D		222826	222826		4922		Internal Fund	2585	2585	83		2668
Miscellaneous:														
-Kaleidoscope	3.4%	D		286369	286408		1497		Internal Fund	4495	4495	72		4567
-Lifetrack	3.4%	K		16203	16203		116		Internal Fund	318	318	20		337
-Stepping Stone	3.4%	D		64678	64678		1306		Internal Fund	10438	10438	397		10835

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(Sheet 4)

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	L&GA	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
-Low Start Stepping Stone	3.4%	D		12730	12730		287		Internal Fund	2020	2020	94		2114
-GA Maximum Investment Plan	3.4%	D		1560	1794		164		Internal Fund	1402	1402	3		1406
-Rider Benefits	-	-			26559 18111 pa		354					15		15
Sub total: Non-Profit Policies				**2782944**	**5005908** **18111 pa**		**28952**			**2221543**	**2221543**	**(37108)**		**2184437**
Sub total: Reassurance Ceded				**2782944**	**5005908** **18111 pa**		**28952**			**2221543**	**2221543**	**(37108)**		**2184437**
Net total: Life Assurance & General Annuity Insurance Business			**554444**	**2220843**	**518343**	**29**	**10386**			**183**	**183**	**27439**		**80524**

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	Pens	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Personal Pension Scheme	4.25%	D	107658	106447	505351		79040		Internal Fund	406248	406248	32476		438724
Free-Standing AVC Plan	4.25%	D	2557	672	9533		2511		Internal Fund	8984	8984	730		9714
Self Invested Pension Plan	4.25%	D	2565		111132				Internal Fund	111132	111132	664		111796
Flexible Retirement Plan	4.25%	D	1779		26742				Internal Fund	26742	26742	537		27279
Pension Transfer Plan	4.25%	D	1378		18080				Internal Fund	18080	18080	(265)		17815
GA Group Money Purchase Scheme	4.25%	D	797		437		412		Internal Fund	437	437	64		501
Executive Pension Plan	4.25%	D	6111	37595	118067		18058		Internal Fund	85912	85912	1809		87721
Group Pension Investment Bond	4.25%		3192						Internal Fund	30072	30072	328		30399
CGU Your Pension - Ind	4.25%	D	4098		16946		3222		Internal Fund	16946	16946	838		17785
CGU Your Pension - Grp	4.25%	D	3808		12181		6882		Internal Fund	12181	12181	916		13097
NU Your Pension - Ind	4.25%	D	24150		194030		23222		Internal Fund	194030	194030	1187		195217
NU Your Pension - Grp	4.25%	D	20976		57478		35456		Internal Fund	57478	57478	1077		58556
NU Your Pension Select - Ind	4.25%	D	1224		5529		1367		Internal Fund	5529	5529	75		5604
NU Your Pension Select - Grp	4.25%	D	761		1601		1078		Internal Fund	1601	1601	59		1660
NU Optimiser Personal Pension	4.25%	D	4256	7897	53526		4635		Internal Fund	46158	46158	148		46306
NU Executive & Directors Personal Pension	4.25%	D	3620	12654	50060		20522		Internal Fund	38372	38372	(295)		38077

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	Pens	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NU Free Standing AVC Plan	4.25%	D	664		4354		2080		Internal Fund	4354	4354	(21)		4333
NU Personal Transfer Plan	4.25%	D	1678		30291				Internal Fund	30291	30291	(1000)		29291
NU Self Invested Personal Pension	4.25%	D	4805		411401				Internal Fund	411401	411401	(18557)		392844
NU Group Pension Investment Bond	4.25%		1343						Internal Fund	32023	32023	(1511)		30512
NU Designer Personal Pension	4.25%	O	35712		98305		66742		Internal Fund	98305	98305	1697		100002
NU Group AVC and Variable Money Purchase Plan	4.25%	O	2140		403				Internal Fund	403	403	80		483
NU Group AVC and Variable Money Purchase Plan (Mono Charge)	4.25%	O	22910		128992				Internal Fund	128992	128992	3400		132392
NU Group AVC and Variable Money Purchase Plan Millenium Series	4.25%	O	22174		45465				Internal Fund	45465	45465	21496		66961
NU Your Pension Select - Ind (Post 6/4/01)	4.25%	D	20202		198249		30425		Internal Fund	198249	198249	1221		199470
NU Your Pension Select - Grp (Post 6/4/01)	4.25%	D	22373		50538		39128		Internal Fund	50538	50538	1632		52170
NU Your Pension Select External Funds - Ind (Post 6/4/01)	4.25%	D	1200		15330		2502		Internal Fund	15330	15330	82		15412
NU Your Pension Select External Funds - Grp (Post 6/4/01)	4.25%	D	380		1508		968		Internal Fund	1508	1508	30		1539

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	Pens	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Miscellaneous Rider Benefits	-	-	34265		65117 pa		2612					109		109
Guaranteed Fund Reserve														4
Sub total: Non-Profit Policies			**358776**	**165265**	**2165529** **65117 pa**		**340862**			**2076761**	**2076761**	**49006**		**2125773**
Sub total: Direct Written Insurance Business			**358776**	**165265**	**2165529** **65117 pa**		**340862**			**2076761**	**2076761**	**49006**		**2125773**
REASSURANCE ACCEPTED **Non-Profit Policies**														
Risk Premium				1075	1075		4							
Sub total: Non-Profit Policies				**1075**	**1075**		**4**							
Sub total: Reassurance Accepted				**1075**	**1075**		**4**							
REASSURANCE CEDED														
Non-Profit Policies														
Personal Pension Scheme	4.25%	D		106447	505351		56045		Internal Fund	406248	406248	23052		429300

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(Sheet 8)

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	Pens	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Free-Standing AVC Plan	4.25%	D		672	9533		1752		Internal Fund	8984	8984	(55)		8929
Self Invested Pension Plan	4.25%	D			111132				Internal Fund	111132	111132	(1116)		110016
Flexible Retirement Plan	4.25%	D			26742				Internal Fund	26742	26742	16		26758
Pension Transfer Plan	4.25%	D			18080				Internal Fund	18080	18080	(497)		17582
GA Group Money Purchase Scheme	4.25%	D			437		4		Internal Fund	437	437	(2)		435
Executive Pension Plan	4.25%	D		37595	118067		13502		Internal Fund	85912	85912	1038		86950
Group Pension Investment Bond	4.25%								Internal Fund	30072	30072	(248)		29824
CGU Your Pension - Ind	4.25%	D			16946		2795		Internal Fund	16946	16946	111		17057
CGU Your Pension - Grp	4.25%	D			12181		6064		Internal Fund	12181	12181	194		12376
NU Your Pension - Ind	4.25%	D			194030		22268		Internal Fund	194030	194030	1187		195217
NU Your Pension - Grp	4.25%	D			57478		33488		Internal Fund	57478	57478	1077		58556
NU Your Pension Select - Ind	4.25%	D			5529		1307		Internal Fund	5529	5529	75		5604
NU Your Pension Select - Grp	4.25%	D			1601		1026		Internal Fund	1601	1601	59		1660
NU Optimiser Personal Pension	4.25%	D		7897	53526		4506		Internal Fund	46158	46158	148		46306
NU Executive & Directors Personal Pension	4.25%	D		12654	50060		19585		Internal Fund	38372	38372	(295)		38077
NU Free Standing AVC Plan	4.25%	D			4354		2016		Internal Fund	4354	4354	(21)		4333
NU Personal Transfer Plan	4.25%	D			30291				Internal Fund	30291	30291	(1000)		29291

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	Pens	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NU Self Invested Personal Pension	4.25%	D			411401				Internal Fund	411401	411401	(18557)		392844
NU Group Pension Investment Bond	4.25%								Internal Fund	32023	32023	(1511)		30512
NU Designer Personal Pension	4.25%	O			98305		63408		Internal Fund	98305	98305	1697		100002
NU Group AVC and Variable Money Purchase Plan	4.25%	O			403				Internal Fund	403	403	80		483
NU Group AVC and Variable Money Purchase Plan (Mono Charge)	4.25%	O			128992				Internal Fund	128992	128992	3400		132392
NU Group AVC and Variable Money Purchase Plan Millenium Series	4.25%	O			45465				Internal Fund	45465	45465	21496		66961
NU Your Pension Select - Ind (Post 6/4/01)	4.25%	D			198249		30425		Internal Fund	198249	198249	1221		199470
NU Your Pension Select - Grp (Post 6/4/01)	4.25%	D			50538		36453		Internal Fund	50538	50538	1632		52170
NU Your Pension Select External Funds - Ind (Post 6/4/01)	4.25%	D			15330		2502		Internal Fund	15330	15330	82		15412
NU Your Pension Select External Funds - Grp (Post 6/4/01)	4.25%	D			1508		968		Internal Fund	1508	1508	30		1539
Miscellaneous Rider Benefits	-	-			65117 pa		2612					109		109

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	Pens	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sub total: Non-Profit Policies				**165265**	**2165529** **65117 pa**		**300726**			**2076761**	**2076761**	**33402**		**2110165**
Sub total: Reassurance Ceded				**165265**	**2165529** **65117 pa**		**300726**			**2076761**	**2076761**	**33402**		**2110165**
Net total: Pension Insurance Business			**358776**	**1075**	**1075**		**40140**					**15604**		**15608**
Net total: United Kingdom Insurance Business			**913220**	**2221918**	**519418**	**29**	**50526**			**183**	**183**	**43043**		**96132**

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	OS	L&GA	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Personal Pension Scheme	4.25%	D	3389		11490		4448		Internal Fund	11490	11490	784		12274
Self Invested Pension Plan	4.25%	D	98		81				Internal Fund	81	81	3		84
Executive Pension Plan	4.25%	D	135	380	882		383		Internal Fund	527	527	45		572
International Investment Plan	4.25%	D	4205		7996		2201		Internal Fund	6730	6730	8		6739
Group Pension Investment Bond	4.25%		61						Internal Fund	226	226	2		228
Multi Portfolio	-	-	4665		27445		170		Internal Fund	26459	26459			26459
Multi Portfolio Retraite	-	-	379		304		377		Internal Fund	296	296			296
German GALA	4.25%	N	788	11964	12084		1007		Internal Fund	402	402	32		434
German DIVA	4.25%	N	120	2287	2287		124		Internal Fund	34	34	14		49
Irish Portfolio Bond	3.4%	D	5693	39435	39518				Internal Fund	39518	39518	182		39700
Irish Ulster Bank Bond	3.4%	D	1586	35147	35147				Internal Fund	32713	32713	1059		33771
Irish Portfolio Pension	4.25%	D	907	1231	2680		1352		Internal Fund	2680	2680	292		2971
Irish Executive Portfolio Pension	4.25%	D	326	1217	1867		1152		Internal Fund	1867	1867	276		2143
NU Optimiser Personal Pension	4.25%	D	2398		8794		4222		Internal Fund	8794	8794	(42)		8752
NU Executive & Directors Personal Pension	4.25%	D	534	831	2495		2389		Internal Fund	1698	1698	2		1700

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	OS	L&GA	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NU Self Invested Personal Pension	4.25%	D	84		1197				Internal Fund	1197	1197	(56)		1141
NU Group Pension Investment Bond	4.25%		9						Internal Fund	4016	4016	(180)		3836
NU International Investment Plan	4.25%	D	586		1361		131		Internal Fund	669	669	(3)		666
Irish Pension Buy-Out Plan	4.25%	D	44		182				Internal Fund	182	182	(6)		176
Miscellaneous Rider Benefits	-	-	1350		2680 pa		50					2		2
Guaranteed Fund Reserve														8500
Sub total: Non-Profit Policies			**27357**	**92492**	**155810** **2680 pa**		**18006**			**139579**	**139579**	**2414**		**150493**
Sub total: Direct Written Insurance Business			**27357**	**92492**	**155810** **2680 pa**		**18006**			**139579**	**139579**	**2414**		**150493**
REASSURANCE CEDED														
Non-Profit Policies														
Personal Pension Scheme	4.25%	D			11490		2259		Internal Fund	11490	11490	(127)		11364
Self Invested Pension Plan	4.25%	D			81				Internal Fund	81	81	(1)		80
Executive Pension Plan	4.25%	D		380	882		316		Internal Fund	527	527	31		558

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	OS	L&GA	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
International Investment Plan	4.25%	D			6731		307		Internal Fund	6730	6730	2		6732
Group Pension Investment Bond	4.25%								Internal Fund	226	226			226
Multi Portfolio	-	-			23157		39		Internal Fund	23157	23157			23157
Multi Portfolio Retraite	-	-			259		129		Internal Fund	259	259			259
German GALA	4.25%	N		11964	12084		203		Internal Fund	402	402	7		409
German DIVA	4.25%	N		2287	2287		9		Internal Fund	34	34	1		36
Irish Portfolio Bond	3.4%	D			39518				Internal Fund	39518	39518	(554)		38963
Irish Ulster Bank Bond	3.4%	D			32713				Internal Fund	32713	32713			32713
Irish Portfolio Pension	4.25%	D		1231	2680		658		Internal Fund	2680	2680	259		2938
Irish Executive Portfolio Pension	4.25%	D		1217	1867		676		Internal Fund	1867	1867	272		2139
NU Optimiser Personal Pension	4.25%	D			8794		3774		Internal Fund	8794	8794	(42)		8752
NU Executive & Directors Personal Pension	4.25%	D		831	2495		1956		Internal Fund	1698	1698	2		1700
NU Self Invested Pension Plan	4.25%	D			1197				Internal Fund	1197	1197	(56)		1141
NU Group Pension Investment Bond	4.25%								Internal Fund	4016	4016	(180)		3836
NU International Investment Plan	4.25%	D			669		102		Internal Fund	669	669	(3)		666
Irish Pension Buy-Out Plan	4.25%	D			182				Internal Fund	182	182	(11)		171

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	OS	L&GA	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Miscellaneous Rider Benefits	-	-			2680 pa		50					2		2
Sub total: Non-Profit Policies				**17910**	**147086** **2680 pa**		**10478**			**136240**	**136240**	**(398)**		**135842**
Sub total: Reassurance Ceded				**17910**	**147086** **2680 pa**		**10478**			**136240**	**136240**	**(398)**		**135842**
Net total: Life Assurance & General Annuity Insurance Business			**27357**	**74582**	**8724**		**7528**			**3339**	**3339**	**2812**		**14651**
Net total: Overseas Insurance Business			**27357**	**74582**	**8724**		**7528**			**3339**	**3339**	**2812**		**14651**

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **Stakeholder**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	Pens	12

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Stakeholder NU Your Pension - Ind	4.25%	D	85862		441893		98801		Internal Fund	441893	441893	5313		447206
Stakeholder NU Your Pension - Grp	4.25%	D	60167		71404		76996		Internal Fund	71404	71404	3864		75268
Stakeholder NU Your Pension External Funds - Ind	4.25%	D	224		2150		361		Internal Fund	2150	2150	13		2164
Stakeholder NU Your Pension External Funds - Grp	4.25%	D	43		155		135		Internal Fund	155	155	3		158
Stakeholder NU Designer Personal Pension	4.25%	O	16037		24322		17865		Internal Fund	24322	24322	1065		25387
Sub total: Non-Profit Policies			**162333**		**539924**		**194158**			**539924**	**539924**	**10258**		**550183**
Sub total: Direct Written Insurance Business			**162333**		**539924**		**194158**			**539924**	**539924**	**10258**		**550183**
REASSURANCE CEDED														
Non-Profit Policies														
Stakeholder NU Your Pension - Ind	4.25%	D			441893		89243		Internal Fund	441893	441893	5313		447206
Stakeholder NU Your Pension - Grp	4.25%	D			71404		67607		Internal Fund	71404	71404	3864		75268

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Type of business **Pension Insurance Business**

Category of surplus **Stakeholder**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R53	226742	GL	31	12	2002	£000	UK	Pens	12

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Stakeholder NU Your Pension External Funds - Ind	4.25%	D			2150		361		Internal Fund	2150	2150	13		2164
Stakeholder NU Your Pension External Funds - Grp	4.25%	D			155		135		Internal Fund	155	155	3		158
Stakeholder NU Designer Personal Pension	4.25%	O			24322		16053		Internal Fund	24322	24322	1065		25387
Sub total: Non-Profit Policies					**539924**		**173399**			**539924**	**539924**	**10258**		**550183**
Sub total: Reassurance Ceded					**539924**		**173399**			**539924**	**539924**	**10258**		**550183**
Net total: Pension Insurance Business			**162333**				**20759**							
Net total: United Kingdom Insurance Business			**162333**				**20759**							

Form 54
(Sheet 1)

Long term insurance business : Valuation summary of index linked contracts

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Type of business **Life Assurance & General Annuity Insurance Business**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Type of business	Category of surplus
R54	226742	GL	31	12	2002	£000	OS	L&GA	11

Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Name of index link	Investment liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Portfolio Bond 1	-	-	5		70				CAC 40		70			70
Sub total: Non-Profit Policies			**5**		**70**						**70**			**70**
Sub total: Direct Written Insurance Business			**5**		**70**						**70**			**70**
Net total: Life Assurance & General Annuity Insurance Business			**5**		**70**						**70**			**70**
Net total: Overseas Insurance Business			**5**		**70**						**70**			**70**

Form 55

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

(Sheet 1)

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Category of surplus **With Profit**

Internal linked fund

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Category of surplus	IL/DH
R55	226742	GL	31	12	2002	£000	UK	11	ILH

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)
							Gross	Reinsurance ceded	
1	2	3	4	5	6	7	8	9	10
Wholly Reinsured							4298304	4298304	
Sub total: Wholly Reinsured							**4298304**	**4298304**	
Total: With Profit							**4298304**	**4298304**	

Form 55

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

(Sheet 2)

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Category of surplus **With Profit**

Directly held assets

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Category of surplus	IL/DH
R55	226742	GL	31	12	2002	£000	UK	11	DHA

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)
							Gross	Reinsurance ceded	
1	2	3	4	5	6	7	8	9	10
UK Income & Growth	OEIC	2.56380	71486	183		183	183		

Form 55

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

(Sheet 3)

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Category of surplus **With Profit**

Internal linked fund

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Category of surplus	IL/DH
R55	226742	GL	31	12	2002	£000	OS	11	ILH

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)
							Gross	Reinsurance ceded	
1	2	3	4	5	6	7	8	9	10
Wholly Reinsured							136240	136240	
Sub total: Wholly Reinsured							**136240**	**136240**	
French Vega Securite	Accumulation	2188.96493	671	1469		1469	3339		(1870)
Sub total: French Vega Securite				**1469**		**1469**	**3339**		**(1870)**
Total: With Profit				**1469**		**1469**	**139579**	**136240**	**(1870)**

Form 55

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

(Sheet 4)

Name of insurer **CGNU Life Assurance Limited**

Global business

United Kingdom business

Financial year ended **31st December 2002**

Category of surplus **Stakeholder**

Internal linked fund

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	UK/OS	Category of surplus	IL/DH
R55	**226742**	**GL**	**31**	**12**	**2002**	**£000**	**UK**	**12**	**ILH**

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)
							Gross	Reinsurance ceded	
1	2	3	4	5	6	7	8	9	10
Wholly Reinsured							539924	539924	
Sub total: Wholly Reinsured							**539924**	**539924**	
Total: Stakeholder							**539924**	**539924**	

Form 56
(Sheet 1)

Long term insurance business : Analysis of assets and liabilities matching investment liabilities in respect of index linked benefits

Name of insurer **CGNU Life Assurance Limited**

Global business

Overseas business

Financial year ended **31st December 2002**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	UK/OS	Category of Surplus
R56	**226742**	**GL**	**31**	**12**	**2002**	**£000**	**OS**	**11**

Type of assets and liabilities	Name of index link **1**	Value of assets or liabilities **2**	Gross derivative value **3**
Structured Derivative Contract	CAC 40	70	70
Sub total assets		**70**	
Sub total liabilities			
Sub total net assets		**70**	
Total assets		**70**	
Total liabilities			
Net total assets		**70**	

Form 57
(Sheet 1)

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling liabilities

Valuation rate(s) of interest **3.20%**

Type of business **Life Assurance and Annuity Insurance Business**

With profits

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000	Stg	3.20	L&GA	WP	11

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	The resilience scenario: Value of assets notionally allocated: Increase or decrease 4	The resilience scenario: Value of assets notionally allocated: Total under resilience scenario 5	The resilience scenario: Risk adjusted yield % 6
Land and buildings		11	295537	6.55	265983	368328	634311	7.28
Fixed interest securities	Approved securities	12	1001700	4.49	911938	(600438)	311500	5.49
	Other	13	218506	4.79	198926	186274	385200	5.89
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16	346282	4.77	295937	(61890)	234047	5.56
Loans secured by mortgages		17						
All other assets	Producing income	18	35000	4.15	35000	179956	214956	5.15
	Not producing income	19	216700		216700	(87900)	128800	
Total (11 to 19)		29	2113725	4.39	1924484	(15670)	1908814	5.77
Gross valuation interest rate %		31		3.86				5.37
Net valuation interest rate % (where appropriate)		32		3.20				4.35
Mathematical reserve or other liability, net of reinsurance		33	2113725				1908814	

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Form 57
(Sheet 2)

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling liabilities

Valuation rate(s) of interest **3.80%**

Type of business **Life Assurance and Annuity Insurance Business**

With profits

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000	Stg	3.80	L&GA	WP	11

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	The resilience scenario: Value of assets notionally allocated: Increase or decrease 4	The resilience scenario: Value of assets notionally allocated: Total under resilience scenario 5	The resilience scenario: Risk adjusted yield % 6
Land and buildings		11	601313	6.55	541181	(541181)		7.28
Fixed interest securities	Approved securities	12	962351	4.49	876116	(316278)	559838	5.49
	Other	13	1020751	4.79	929283	(56882)	872401	5.89
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16	1103939	4.74	943261	978891	1922152	5.21
Loans secured by mortgages		17						
All other assets	Producing income	18	146223	4.15	146223	(20778)	125445	5.15
	Not producing income	19	68109		68109	52550	120659	
Total (11 to 19)		29	3902686	4.87	3504173	96322	3600495	5.24
Gross valuation interest rate %		31		4.48				4.94
Net valuation interest rate % (where appropriate)		32		3.80				4.45
Mathematical reserve or other liability, net of reinsurance		33	3902686				3600495	

Form 57
(Sheet 3)

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling liabilities

Valuation rate(s) of interest **4.50%**

Type of business **Life Assurance and Annuity Insurance Business**

With profits

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000	Stg	4.50	L&GA	WP	11

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	The resilience scenario: Value of assets notionally allocated: Increase or decrease 4	The resilience scenario: Value of assets notionally allocated: Total under resilience scenario 5	The resilience scenario: Risk adjusted yield % 6
Land and buildings		11	28219	6.55	25397	(25397)		7.28
Fixed interest securities	Approved securities	12	55980	4.49	50963	126086	177049	5.49
	Other	13	48224	4.79	43903	(16443)	27460	5.89
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16	80072	4.72	68424	(68424)		5.19
Loans secured by mortgages		17						
All other assets	Producing income	18	7707	4.15	7707	(7707)		5.15
	Not producing income	19						
Total (11 to 19)		29	220202	4.89	196394	8115	204509	5.54
Gross valuation interest rate %		31		4.50				5.25
Net valuation interest rate % (where appropriate)		32						
Mathematical reserve or other liability, net of reinsurance		33	220202				204509	

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling liabilities

Valuation rate(s) of interest **4.50%**

Type of business **Pension Insurance Business**

With profits

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000	Stg	4.50	Pens	WP	11

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	The resilience scenario: Value of assets notionally allocated: Increase or decrease 4	The resilience scenario: Value of assets notionally allocated: Total under resilience scenario 5	The resilience scenario: Risk adjusted yield % 6
Land and buildings		11	259782	6.55	233804	198250	432054	7.28
Fixed interest securities	Approved securities	12	670245	4.49	610185	507458	1117643	5.49
	Other	13	411671	4.79	374782	(57620)	317162	5.89
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16	608844	4.72	520221	(503407)	16814	8.46
Loans secured by mortgages		17						
All other assets	Producing income	18	168287	4.15	168287	(168287)		5.15
	Not producing income	19						
Total (11 to 19)		29	2118829	4.84	1907279	(23606)	1883673	5.99
Gross valuation interest rate %		31		4.50				5.58
Net valuation interest rate % (where appropriate)		32						
Mathematical reserve or other liability, net of reinsurance		33	2118829				1883673	

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling liabilities

Valuation rate(s) of interest **5.20%**

Type of business **Pension Insurance Business**

Non profit

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000	Stg	5.20	Pens	NP	11

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	The resilience scenario: Value of assets notionally allocated: Increase or decrease 4	The resilience scenario: Value of assets notionally allocated: Total under resilience scenario 5	The resilience scenario: Risk adjusted yield % 6
Land and buildings		11						
Fixed interest securities	Approved securities	12						
	Other	13	402262	5.33	366215	15457	381672	5.89
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16						
Loans secured by mortgages		17						
All other assets	Producing income	18						
	Not producing income	19						
Total (11 to 19)		29	402262	5.33	366215	15457	381672	5.89
Gross valuation interest rate %		31		5.20				5.74
Net valuation interest rate % (where appropriate)		32						
Mathematical reserve or other liability, net of reinsurance		33	402262				381672	

Form 57
(Sheet 6)

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling/Non sterling liabilities

Valuation rate(s) of interest **Balance**

Type of business

With profits/Non profit

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000		98			11

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	The resilience scenario: Value of assets notionally allocated: Increase or decrease 4	The resilience scenario: Value of assets notionally allocated: Total under resilience scenario 5	The resilience scenario: Risk adjusted yield % 6
Land and buildings		11						
Fixed interest securities	Approved securities	12	126580	4.49	115238	283173	398411	5.49
	Other	13	138701	4.79	126272	(70786)	55486	5.89
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16	401647	4.77	345170	(345170)		5.19
Loans secured by mortgages		17						
All other assets	Producing income	18	41100	4.15	41100	16817	57917	5.15
	Not producing income	19				35350	35350	
Total (11 to 19)		29	708028	4.69	627780	(80616)	547164	5.14
Gross valuation interest rate %		31						
Net valuation interest rate % (where appropriate)		32						
Mathematical reserve or other liability, net of reinsurance		33	708028				547164	

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling/Non sterling liabilities

Valuation rate(s) of interest **Total**

Type of business

With profits/Non profit

Category of assets **Life and Annuity**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000		99			11

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	Increase or decrease 4	Total under resilience scenario 5	Risk adjusted yield % 6
Land and buildings		11	1184851	6.55	1066366		1066366	7.28
Fixed interest securities	Approved securities	12	2816856	4.49	2564440		2564440	5.49
	Other	13	2240115	4.89	2039380		2039380	5.89
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16	2540784	4.74	2173014		2173014	5.27
Loans secured by mortgages		17						
All other assets	Producing income	18	398317	4.15	398317		398317	5.15
	Not producing income	19	284809		284809		284809	
Total (11 to 19)		29	9465732	4.76	8526326		8526326	5.55
Gross valuation interest rate %		31						
Net valuation interest rate % (where appropriate)		32						
Mathematical reserve or other liability, net of reinsurance		33	9465732				8526326	

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling liabilities

Valuation rate(s) of interest **3.75%**

Type of business **Permanent Health Insurance Business**

Non profit

Category of assets **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000	Stg	3.75	PHI	NP	12

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	The resilience scenario: Value of assets notionally allocated: Increase or decrease 4	The resilience scenario: Value of assets notionally allocated: Total under resilience scenario 5	The resilience scenario: Risk adjusted yield % 6
Land and buildings		11						
Fixed interest securities	Approved securities	12	11147	4.43	10037	(166)	9871	5.43
	Other	13	888	5.68	798	(798)		
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16						
Loans secured by mortgages		17						
All other assets	Producing income	18						
	Not producing income	19				751	751	
Total (11 to 19)		29	12035	4.52	10835	(213)	10622	5.05
Gross valuation interest rate %		31		3.75				4.67
Net valuation interest rate % (where appropriate)		32						
Mathematical reserve or other liability, net of reinsurance		33	12035				10622	

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling liabilities

Valuation rate(s) of interest **4.00%**

Type of business **Permanent Health Insurance Business**

Non profit

Category of assets **Permanent Health**

Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57 226742	GL	31	12	2002	£000	Stg	4.00	PHI	NP	12

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	The resilience scenario: Value of assets notionally allocated: Increase or decrease 4	The resilience scenario: Value of assets notionally allocated: Total under resilience scenario 5	The resilience scenario: Risk adjusted yield % 6
Land and buildings		11						
Fixed interest securities	Approved securities	12	4812	4.43	4333	1370	5703	5.43
	Other	13				798	798	6.68
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16						
Loans secured by mortgages		17						
All other assets	Producing income	18	9986	3.95	9986	(2088)	7898	4.95
	Not producing income	19						
Total (11 to 19)		29	14798	4.11	14319	80	14399	5.24
Gross valuation interest rate %		31		4.00				4.53
Net valuation interest rate % (where appropriate)		32						
Mathematical reserve or other liability, net of reinsurance		33	14798				14399	

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Form 57
(Sheet 10)

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling/Non sterling liabilities

Valuation rate(s) of interest **Balance**

Type of business

With profits/Non profit

Category of assets **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000		98			12

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	The resilience scenario: Value of assets notionally allocated: Increase or decrease 4	The resilience scenario: Value of assets notionally allocated: Total under resilience scenario 5	The resilience scenario: Risk adjusted yield % 6
Land and buildings		11						
Fixed interest securities	Approved securities	12	1337	4.43	1204	(1204)		
	Other	13						
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16						
Loans secured by mortgages		17						
All other assets	Producing income	18				2088	2088	4.95
	Not producing income	19	1343		1343	(751)	592	
Total (11 to 19)		29	2680	2.21	2547	133	2680	3.86
Gross valuation interest rate %		31						
Net valuation interest rate % (where appropriate)		32						
Mathematical reserve or other liability, net of reinsurance		33	2680				2680	

Long term insurance business : Matching rectangle

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Sterling/Non sterling liabilities

Valuation rate(s) of interest **Total**

Type of business

With profits/Non profit

Category of assets **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
R57	226742	GL	31	12	2002	£000		99			12

Type of asset notionally allocated			The valuation: Value of asset notionally allocated 1	The valuation: Risk adjusted yield % 2	The resilience scenario: Value of assets notionally allocated: On original allocation 3	Increase or decrease 4	Total under resilience scenario 5	Risk adjusted yield % 6
Land and buildings		11						
Fixed interest securities	Approved securities	12	17296	4.43	15574		15574	5.43
	Other	13	888	5.68	798		798	6.68
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16						
Loans secured by mortgages		17						
All other assets	Producing income	18	9986	3.95	9986		9986	4.95
	Not producing income	19	1343		1343		1343	
Total (11 to 19)		29	29513	4.10	27701		27701	5.03
Gross valuation interest rate %		31						
Net valuation interest rate % (where appropriate)		32						
Mathematical reserve or other liability, net of reinsurance		33	29513				27701	

Long term insurance business : Valuation result and distribution of surplus

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of surplus **With Profit**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of surplus
R58	226742	GL	31	12	2002	£000	11

Valuation result	Fund carried forward		11	9334634
	Bonus payments made to policyholders in anticipation of a surplus		12	48137
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	29920
		Transfer to other funds/parts of funds	14	8000
	Net transfer out of funds/parts of funds (13+14)		15	37920
	Total (11+12+15)		16	9420691
	Mathematical reserves for accumulating with profit policies		17	6021372
	Mathematical reserves for other non linked contracts		18	2906438
	Mathematical reserves for property linked contracts		19	110783
	Mathematical reserves for index linked contracts		20	70
	Total (17 to 20)		21	9038663
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29	382028
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31	20
	Transfers into fund/part of fund	Transfer from non-technical account	32	
		Transfer from other funds/parts of fund	33	
	Net transfer into fund/part of fund (32+33)		34	
	Surplus arising since the last valuation		35	382008
	Total (31+34+35)		39	382028
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41	48137
	Allocated to policyholders by way of	Cash bonuses	42	
		Reversionary bonuses	43	295951
		Other bonuses	44	
		Premium reductions	45	
	Total allocated to policyholders (41 to 45)		46	344088
	Net transfer out of fund/part of fund		47	37920
	Total distributed surplus (46+47)		48	382008
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49	20
	Total (48+49)		59	382028
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61	90.07
Corresponding percentage at three immediately previous valuations	Latest (year of valuation **2001**)		62	90.01
	Earlier (year of valuation **2000**)		63	90.00
	Earliest (year of valuation **1999**)		64	90.00

Long term insurance business : Valuation result and distribution of surplus

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of surplus **Stakeholder**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of surplus
R58	226742	GL	31	12	2002	£000	12

Valuation result	Fund carried forward		11	83035
	Bonus payments made to policyholders in anticipation of a surplus		12	
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	
		Transfer to other funds/parts of funds	14	
	Net transfer out of funds/parts of funds (13+14)		15	
	Total (11+12+15)		16	83035
	Mathematical reserves for accumulating with profit policies		17	80703
	Mathematical reserves for other non linked contracts		18	
	Mathematical reserves for property linked contracts		19	
	Mathematical reserves for index linked contracts		20	
	Total (17 to 20)		21	80703
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29	2332
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31	8
	Transfers into fund/part of fund	Transfer from non-technical account	32	
		Transfer from other funds/parts of fund	33	
	Net transfer into fund/part of fund (32+33)		34	
	Surplus arising since the last valuation		35	2324
	Total (31+34+35)		39	2332
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41	
	Allocated to policyholders by way of	Cash bonuses	42	
		Reversionary bonuses	43	2247
		Other bonuses	44	
		Premium reductions	45	
	Total allocated to policyholders (41 to 45)		46	2247
	Net transfer out of fund/part of fund		47	
	Total distributed surplus (46+47)		48	2247
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49	85
	Total (48+49)		59	2332
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61	100.00
Corresponding percentage at three immediately previous valuations	Latest (year of valuation **2001**)		62	100.00
	Earlier (year of valuation **2000**)		63	
	Earliest (year of valuation **1999**)		64	

Long term insurance business : Valuation result and distribution of surplus

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Category of surplus **Permanent Health**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units	Category of surplus
R58	226742	GL	31	12	2002	£000	13

Valuation result	Fund carried forward		11	31525
	Bonus payments made to policyholders in anticipation of a surplus		12	
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	
		Transfer to other funds/parts of funds	14	
	Net transfer out of funds/parts of funds (13+14)		15	
	Total (11+12+15)		16	31525
	Mathematical reserves for accumulating with profit policies		17	
	Mathematical reserves for other non linked contracts		18	29513
	Mathematical reserves for property linked contracts		19	
	Mathematical reserves for index linked contracts		20	
	Total (17 to 20)		21	29513
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29	2012
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31	3290
	Transfers into fund/part of fund	Transfer from non-technical account	32	
		Transfer from other funds/parts of fund	33	8000
	Net transfer into fund/part of fund (32+33)		34	8000
	Surplus arising since the last valuation		35	(9278)
	Total (31+34+35)		39	2012
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41	
	Allocated to policyholders by way of	Cash bonuses	42	
		Reversionary bonuses	43	
		Other bonuses	44	
		Premium reductions	45	
	Total allocated to policyholders (41 to 45)		46	
	Net transfer out of fund/part of fund		47	
	Total distributed surplus (46+47)		48	
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49	2012
	Total (48+49)		59	2012
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61	
Corresponding percentage at three immediately previous valuations	Latest (year of valuation **2001**)		62	
	Earlier (year of valuation **2000**)		63	
	Earliest (year of valuation **1999**)		64	

Long term insurance business : Required minimum margin

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	Period ended month	Period ended year	Units
R60	226742	GL	31	12	2002	£000

Class			Classes I, II & IX	Class III business with relevant factor of				Class IV and VI	Classes VII and VIII business with relevant factor of				Unallocated additional mathematical reserves with relevant factor of		Total for all classes	
Relevant factor (Instruction 1)			4% 1	4% 2	1% 3	Nil 4	Total 5	4% 6	4% 7	1% 8	Nil 9	Total 10	4% 11	1% 12	The financial year 13	The previous year 14
Mathematical reserves before deduction of reinsurance	Reserves before distribution of surplus	11	3784346	13137455	815244	2554291	16506990	142046					50895		20484277	19188997
	Reserves for bonus allocated to policyholders	12	59243	543917			543917								603160	647907
	Reserves after distribution of surplus	13	3843589	13681372	815244	2554291	17050907	142046					50895		21087437	19836904
Mathematical reserves after deduction of reinsurance	Reserves before distribution of surplus	14	3562754	6820130	9424	39843	6869397	34154					50895		10517200	10699989
	Reserves for bonus allocated to policyholders	15	57434	240764			240764								298198	397084
	Reserves after distribution of surplus	16	3620188	7060894	9424	39843	7110161	34154					50895		10815398	11097073
Ratio of 16 to 13 or 0.85 if greater (see Instruction 2)		17	0.941877				0.850000	0.850000					1.000000			
Required margin of solvency - first result = (line 13) * (line 17) * relevant factor		19	144808				472096	4830					2036		623770	611300
Non negative capital at risk before reinsurance (see Instruction 3)	Temporary assurances with required margin of solvency of 0.1%	21														
	Temporary assurances with required margin of solvency of 0.15%	22														
	All other assurances with required margin of solvency of 0.3%	23	37046875				5283475								42330350	47024133
	Total (21 to 23)	29	37046875				5283475								42330350	47024133
Non negative capital at risk after reinsurance (all contracts) (see Instruction 3)		31	9836530				1211561								11048091	12446802
Ratio of line 31 to line 29, or 0.50 if greater		32	0.500000				0.500000									
Required margin of solvency - second result (se linstruction 4)		39	55570				7925								63495	70537
Sum of first and second results (19+39)		49	200378				480021	4830					2036		687265	681837
Required margin of solvency for supplementary Accident & Sickness Insurance & Class V business		51														1
Total required margin of solvency for long term insurance business (49+51)		59													687265	681838
Minimum guarantee fund		61													506	497
Required minimum margin (greater of lines 59 and 61)		69													687265	681838

Form 61

Supplementary accident and sickness insurance : Calculation of required margin of solvency

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

	Company registration number	GL/UK/CM	Period ended day	month	year	Units
R61	**226742**	**GL**	**31**	**12**	**2002**	**£000**

			This financial year 1	Previous year 2
Gross premiums written		**11**	2	8
Premium taxes and levies (included in line 11)		**12**		
Sub-total A (11-12)		**19**	2	8
Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure		**21**		
Division of Sub-total A (or adjusted Sub-total A if appropriate)	18% of amounts up to sterling equivalent of 10M EURO	**22**		1
	16% of excess (if any) over 10M EURO	**23**		
Sub-total B (22+23)		**29**		1
Claims paid		**31**	1	
Claims outstanding carried forward at end of this financial year		**32**		
Claims outstanding brought forward at beginning of this financial year		**33**		
Sub-total C (31+32-33)		**39**	1	
Amounts recoverable from reinsurers in respect of claims included in sub-total C		**41**		
Sub-total D (39-41)		**49**	1	
Required margin of solvency for supplementary accident and sickness insurance: Sub-total B x $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if 0.5 is greater, x 0.5)		**59**		1

Returns under the Accounts and Statements Rules

Supplementary notes

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Code

4601 There are 9,193 linked Group UK contracts in force with an estimated 57,752 members. In addition there are a further 4,535 linked Group UK contracts in force for which the company does not hold member details.

4602 There are 4,895 non-linked Group UK contracts in force with an estimated 2,029,814 members.

4603 There are 234 linked Group overseas contracts in force with an estimated 995 members. In addition there are a further 70 linked Group overseas contracts in force for which the company does not hold member details.

4604 There are 67 non-linked Group overseas contracts in force with an estimated 460 members.

4701 Although regular premiums are shown on Form 47 for NU Group AVC and NU Variable Money Purchase Plan they do not appear in Form 53 because these are variable premium policies.

4801 The amounts of accrued interest included in the value of admissible assets is as follows:

		£000's
Life and Annuity		
Fixed Interest Securities	Approved securities	35,010
	Other	30,568
All Other Assets	Not producing income	5,829
Permanent Health		
Fixed Interest Securities	Approved securities	146
	Other	11
All Other Assets	Not producing income	4

4802 The expected income from any asset shown in Form 48, where the payment of interest is in default is treated as zero. The aggregate amount excluded from line 13 is 555 (£000).

5101 The total number of UK Life and Annuity contracts shown exceeds the actual number by 1,992,524.

5102 The total number of overseas Life and Annuity contracts shown exceeds the actual number by 2,027.

5103 The total number of Permanent Health Insurance contracts shown exceeds the actual number by 490,970.

5301 The total number of UK Life and Annuity contracts shown exceeds the actual number by 99,856.

5302 The total number of overseas Life and Annuity contracts shown exceeds the actual number by 2,111.

5303 For linked contracts which are also accumulating with-profit policies, with profit benefits and liabilities have been included on Form 52. The number of contracts, premiums and other liabilities have been included on this form.

5701 The contracts covered on the sheet coded Balance are life fund non-profit business, general annuities, group sickness benefits by recurring single premium, liabilities denominated in a foreign currency, individual and group non-profit deferred annuities, individual and group non-profit pension assurances and sterling reserves.

6001 The mathematical reserves after deduction for reinsurance as shown in Form 60, exceed the actual reserves as shown in Form 58 by 1,317,475 (£000). The excess represents the unit liabilities in respect of the UK Life, Irish Life, and Pensions Guaranteed Funds and the Irish Ulster Bank Protected Bond Fund, which are reinsured to Norwich Union Linked Life Assurance. Although the unit liabilities are reinsured, the guarantee on the fifth anniversary of investment is retained by the Company. The presentation adopted in Form 60 ensures that the Company provides the required margin of solvency - first result in relation to these liabilities.

Supplementary notes

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

Code

0902 Section 148 waiver – Implicit items

The Financial Services Authority, on the application of the firm, made a direction on 24 June 2002 under section 148 of the Act. The effect of the direction is to allow the firm to take into account the implicit item in Form 9 of this return.

Internal Reinsurance treaties

The Financial Services Authority, on the application of the firm, made a direction in December 2002 under section 148 of the Act. The effect of the direction is to modify the provisions of IPRU (INS) rule 3.4 so that it does not apply to certain internal reinsurance treaties.

Deferred Taxation

The Financial Services Authority, on the application of the firm, made a direction in December 2002 under section 148 of the Act. The direction allows the firm to limit its provision for deferred tax, on any capital gains made on their shares, to the amount that would be due if those shares were immediately realised at their 'Valuation of Assets Rules' value.

1001 Reconciliation to shareholder accounts

	2002	2001
	£000	£000
Form 13.99	**35,545**	90,757
Form 15.59	**(5,278)**	(2,161)
Long Term Fund in excess of FFA	**2,672**	
Capital and reserves as per shareholder accounts	**32,939**	88,596

1002 Line 65 - Other movements

Not applicable

1003 Subordinated loan capital - section 148 waivers

Not applicable

1301 Aggregate value of unlisted investments, etc. - other than long term insurance business

Not applicable

1302 Aggregate value of hybrid securities
1309

The company held hybrid securities of £228m in the Life and Annuity Fund.

1303 Amounts of any salvage or subrogation recovery

Not applicable

1304 Statement of amounts set off
1310

Amounts have been set off to the extent permitted by generally accepted accounting principles.

Supplementary notes

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31st December 2002**

Code

1305 1311 Counterparty limits during the year

The investment guidelines operated by the Company specify exposure to counterparties by asset type as follows:

Deposits

The maximum permitted exposure to counterparties is set out in the lending limit list approved by the Group Risk Committee.

Each Fund cannot hold more than 2% of funds under management (or £100m if less) with 'Tier 1' counterparties, 1.5% of funds under management (or £75m if less) with 'Tier 2' counterparties and 0.5% of funds under management (or £50m if less) with 'Tier 3' counterparties. Tier 1 represents AAA rated institutions, Tier 2 represents institutions rated AA- or better whilst Tier 3 represents institutions rated A- or better.

The absolute limit for a particular counterparty holding at the end of the financial year was £100m for Tier 1, £75m for Tier 2 and £50m for Tier 3.

Equities

The maximum of a company's equity held by all funds is limited to 10%. Unquoted holdings are limited to 2% of the UK equity portfolio.

Fixed

Exposure to non-government bonds is limited to holdings, which are deemed to be of a suitable investment grade determined by senior investment management. The maximum holding across all funds of a single issue is limited to 25% of the issue.

Private placements are limited to 3% of the non-government bond portfolio.

Derivatives

Exposure to OTC derivatives is only undertaken with the approval of senior management.

Equity Index Futures	10% of fund
UK Bond Futures	10% of fund
UK Swaps & Swaptions	10% of fund
Overseas Bond Futures	5% of fund
Overseas Swaps & Swaptions	20% of overseas fixed interest
FX forwards -purchase/sale of investments -asset allocation -other	 Unlimited 20% of fund 100% of overseas assets
FX options	10% of overseas assets
Warrants	3% of equity portfolio
Equity underwriting	Lower of £150m or cash cover

1306 1312 Counterparty exposure at the year end

Exposure to any one counterparty at the end of the financial year did not exceed 5% of the long-term insurance business amount.

1307 1313 Fully secured rights

Not applicable

1308 Aggregate value of unlisted investments, etc. - long term insurance business

The long-term fund held £824.2m in unlisted securities and £9.2m of units in unregulated collective investment schemes. There were no holdings in listed companies, which are not readily realisable, or reversionary interests or remainders in property.

1314 Tangible lease assets

Supplementary notes

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31st December 2002**

Code

1316

There are no tangible leased assets included in line 80.

1315 Other assets

Not applicable

1401 Provision for adverse changes
1501

No provision for adverse changes is required as no assets are held which would give rise to a future liability, which would not be covered by appropriate assets.

1402 Contingent liabilities, etc.
1502

There are no charges over any assets of the Company.

There is no provision for taxation on capital gains and no unprovided potential liability.

There are no contingent liabilities not included on the form.

There are no guarantees, indemnities, or other contractual commitments effected other than in the ordinary course of insurance business and in respect of related companies.

1601 Basis of conversion of foreign currency

Revenue transactions of those operations which are traded in currencies other than sterling are translated at average rates of exchange for the financial year.

1700 Form omitted

This form has been omitted for the Permanent Health Fund as there are no derivatives on this fund.

1701 Variation margin

There is no aggregate amount of 'excess' variation margin received due to market movements which has subsequently been partly or wholly reversed.

1702 Quasi-derivatives

Not applicable

4002 Other income and expenditure

Other income shown in Form 40 Line 15, and other expenditure shown in Form 40 Line 25, are in respect of the transfer of surplus from the Life and Annuity fund to the Permanent Health fund.

4005 Foreign currency conversion

Transactions denominated in currencies other than sterling are translated at the exchange rate at the date of the transaction. The result of branches which trade in currencies other than sterling are translated at average exchange rates.

4006 Apportionment of items between different long term business funds

Investment Income
Invested assets are individually designated to a particular fund. Consequently all investment income is allocated by reference to the designation of the asset.

Increase or decrease in the value of assets brought into account
The value of assets brought into account is determined by reference to the liabilities of the relevant fund. The assets available are individually designated to the relevant fund.

Expenses
All expenses are examined to identify those directly attributable to a particular fund. Those not directly attributable are apportioned pro rata to the work carried out for the fund.

Supplementary notes

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31st December 2002**

Code

Taxation
The taxation of each fund is computed in accordance with the taxation regulations applicable to that class of business.

4008 Provision of management services

Under a management agreement Norwich Union Life Services Limited supplies and makes a charge for the provision of management services to the Company.

4009 Related party transactions

Related party transactions exceeding 5% of the long-term insurance business amount were as follows:

1)	Connected Party	Norwich Union Linked Life Assurance Limited	
	Nature of relationship	Fellow group undertaking	
	Nature of transactions during the period	Reinsurance ceded	
	Value of transactions during the period	Premiums	£624m
		Claims	£378m
		Commission	£11m
		Expenses	£11m
	Amounts unpaid at the end of the period	£78m owed to Norwich Union Linked Life Assurance Limited	
	Amounts written off in the period	£nil	
2)	Connected Party	Norwich Union Life & Pensions Limited	
	Nature of relationship	Fellow group undertaking	
	Nature of transactions during the period	Reinsurance ceded	
	Value of transactions during the period	Premiums	£1,550m
		Claims	£77m
		Commission	£83m
		Expenses	£123m
	Amounts unpaid at the end of the period	£27m owed by Norwich Union Life & Pensions Limited	
	Amounts written off in the period	£nil	
3)	Connected Party	Commercial Union Life Assurance Company Limited	
	Nature of relationship	Fellow group undertaking	
	Nature of transactions during the period	Reinsurance ceded	
	Value of transactions during the period	Premiums	£1,011m
		Claims	£261m
		Commission	£31m
		Expenses	£29m
	Amounts unpaid at the end of the period	£13m owed to Commercial Union Life Assurance Company Limited	
	Amounts written off in the period	£nil	

4300 Form omitted

The entries in respect of the Permanent Health fund are nil, accordingly no Form 43 is required for this fund.

4301 Basis of valuation in internal linked funds

Investments are stated at current value, listed investments are stated at mid market value.

4302 Aggregate value of rights under derivative contracts

Not applicable

4303 Accounting for variation margin

Not applicable

4400 Form omitted

The entries on Form 44 in respect of the Permanent Health fund are nil, accordingly no form is required for this fund.

Supplementary notes

Name of insurer **CGNU Life Assurance Limited**

Financial year ended **31st December 2002**

Code

4500 Form omitted

The entries on Form 45 in respect of the Permanent Health fund are nil, accordingly no form is required for this fund.

Returns under the accounts and Statements Rules

Statement on derivatives required by IPRU (INS) 9.29

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

The following summarises investment policy for the use of derivatives: -

- Derivatives will only be used in accordance with FSA Guidelines for the purpose of efficient portfolio management or reduction in investment risk.
- Derivatives must not be used for speculative purposes.
- Derivatives must be fully covered by the assets of the fund and must not be used to 'gear up' a fund.
- Counterparty risk – for exchange traded contracts, the exchange must be classed as "regulated" by an investment committee. Over the counter contracts, transactions must only be transacted with approved counterparties. Counterparty limits are consistent, and monitored in line with the fund's aggregate exposure guidelines.
- Controls and Monitoring – delegated authorities exist for each member of staff using derivatives. Derivatives transactions are priced, settled and profit and losses reconciled in an area independent of the fund managers involved.

There are no specific guidelines for the use of contracts that were not reasonably likely to be exercised at the start of the contract. The speculative use of derivative contracts is prohibited.

The company was party to Stock Underwriting over the financial period, which falls into the description above. This is the only example of such contracts that were transacted during the financial period. However, none of the amounts recorded in Form 13 would have been materially changed if the insurer became obligated to purchase these assets.

The amounts recorded in Form 13 would have been increased by £0.2m if contracts held had been exercised at the end of the financial year.

During the financial year, the above changes would not have been significantly larger from those at the year end.

The maximum loss in the event of failure by any one counterparty to fulfil its obligations at the end of the financial year would have been £30.4m. This would not have been materially greater at any one time during the year or under other foreseeable market conditions.

All derivative contracts held at any time during the financial year fell within rule 4.12 (2) or (where appropriate) the definition of a permitted derivative contract.

During the financial period, the company's use of derivatives included the granting of rights under derivative contracts for a fixed consideration. This was in the activity of Stock Underwriting. The fee income over the financial period was £0.3m.

Returns under the Accounts and Statements Rules

Statement on controllers required by IPRU (INS) 9.30

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

100% of the issued share capital of the Company is held by Norwich Union Life Holdings Limited.

100% of the issued share capital of Norwich Union Life Holdings Limited is held by Norwich Union Holdings Limited.

100% of the issued share capital of Norwich Union Holdings Limited is held by Norwich Union plc.

100% of the issued share capital of Norwich Union plc is held by General Accident plc.

100% of the issued ordinary share capital of General Accident plc is held by the Ultimate Parent Undertaking, Aviva plc (previously known as CGNU plc).

There have been no changes to the above position during the year.

All shares are voting shares.

Returns under the Accounts and Statements Rules

Statement of information on appointed actuary required by IPRU (INS) 9.36

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

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In accordance with rule 9.36 of the Interim Prudential Sourcebook for Insurers, M N Urmston, the appointed actuary of the Company, was requested to furnish and has provided the following information:

(a) (1) An interest in 11,522 ordinary shares at 31 December 2002 in Aviva plc, and an interest in 9,790 ordinary shares at 31 December 2001.

(2) 42,641 ordinary shares are held in the Aviva Long Term Incentive Plan, these shares will vest upon the satisfaction of certain performance criteria. In addition 34,112 ordinary shares are held in the Aviva Deferred Bonus Plan.

(3) Options were held at 31 December 2002 to subscribe for 116,639 ordinary shares in Aviva plc under UK Employees Savings Related and Executive Share Option Schemes.

	No. of shares
Options held at 31 December 2001	116,341
Options granted during the year	1,228
Options exercised or lapsed during the year	(930)

(b) Four with profits low cost endowment policies with CGNU Life Assurance Limited, with aggregate sums assured of £67,924 and annual premiums of £1,868. One non-profit term assurance policy with CGNU Life Assurance Limited with sum assured of £75,000 and annual premiums of £332. In addition the actuary held general insurance policies with subsidiaries of Aviva plc for which total premiums of £2146 were paid in the year to 31 December 2002.

(c) The aggregate amount of remuneration, bonuses and the value of other benefits (excluding pension rights) under the actuary's contract of employment with Aviva Employment Services Limited for 2002 was £303,921. Under the contract he was Appointed Actuary and Director of:

CGNU Life Assurance Limited
Commercial Union Life Assurance Company Limited
Norwich Union Linked Life Assurance Limited
Norwich Union Life (RBS) Limited
Norwich Union Life & Pensions Limited
Norwich Union Annuity Limited

appointed actuary of:-
The Northern Assurance Company Ltd

And a director of:-
Fidelity Life Assurance Limited
GA Life Property Ireland Limited
National Westminster Life Assurance Limited
Norwich Union Commercial Finance Limited
Norwich Union Commercial Mortgages Limited
Norwich Union Equity Release Limited
Norwich Union Healthcare Limited
Norwich Union Life Holdings Limited
Norwich Union Life (RBS) JV Limited
Norwich Union Life Services Limited
Norwich Union Mortgage Finance Limited
Norwich Union Mortgages (Life) Limited
Norwich Union Mortgage Holdings Limited
Norwich Union Personal Finance Limited

NULH2 Limited
Provident Mutual Life Assurance Limited
RBS Life Investments Limited
Royal Scottish Assurance plc
Tesco Personal Finance Investments Limited
Tesco Personal Finance Life Limited
The General Practice Finance Corporation Limited
The General Practice Finance Corporation Property Management Limited

(d) Pensions and life assurance benefits as provided to all employees under the terms and conditions of the Aviva Companies' UK Pensions Schemes. Sickness and accident benefits as provided to all employees under the terms and conditions of these schemes.

Returns under the Accounts and Statements Rules

Certificate by the directors required by IPRU (INS) 9.34(a) and IPRU (INS) Appendix 9.6

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

We certify:

1 **(a)** in relation to the part of the return comprising Forms 9, 9A, 10, 13 to 17 and 40 to 45, (including the supplementary notes) and the statements required by rules 9.29 and 9.30 that:

(i) the return has been prepared in accordance with the Accounts and Statements Rules;

(ii) proper accounting records have been maintained and adequate information has been obtained by CGNU Life Assurance Limited (the Company); and

(iii) appropriate systems and controls have been established and maintained by the Company over its transactions and records;

(b) that reasonable enquiries have been made by the Company for the purpose of identifying material connected-party transactions;

(c) that in respect of the Company's business which is not excluded by rule 7.6, the assets held throughout the financial year enabled the Company to comply with rules 7.1 to 7.5 (matching and localisation);

(d) in relation to the statement required by rule 9.36:

(i) that for the purpose of preparing the statement, proper accounts and records have been maintained; and

(ii) that the information given has been ascertained in conformity with that rule.

2 that the margin of solvency required by rule 2.1 has been maintained throughout the financial year.

3 **(a)** that the requirements of rules 3.1 to 3.4 have been fully complied with and in particular that, subject to the provisions of rules 3.2(2) to (4) and rule 3.3, assets attributable to long term insurance business, the income arising therefrom, the proceeds of any realisation of such assets and any other income or proceeds allocated to the long term insurance business funds have not been applied otherwise than for the purpose of the long term insurance business;

(b) that any amount payable from or receivable by the long term insurance business funds in respect of services rendered by or to any other business carried on by the Company or by a person who, for the purposes of rule 3.4, is connected with it or is a subordinate company of it has been determined and where appropriate apportioned on terms which are believed to be no less than fair to those funds, and any exchange of assets representing such funds for other assets of the Company has been made at fair market value;

(c) that all guarantees given by the Company of the performance by a related company which would fall to be met by any long term insurance business fund have been disclosed in the return, and that the funds on which each such guarantee would fall has been identified therein;

(d) that the investment policy and practice of the Company in respect of the internal linked funds maintained was, during the financial year, consistent with any representations made to policyholders or potential policyholders of the Company;

(e) that the returns in respect of long term insurance business are not distorted by agreements with any other company carrying on insurance business with which the Company has financial, commercial or administrative links, or by any arrangements which could affect the apportionment of expenses and income; and

(f) that the Company has fully complied with the requirements of rule 3.5.

Returns under the Accounts and Statements Rules

Certificate by the directors required by IPRU (INS) 9.34(a) and IPRU (INS) Appendix 9.6

Name of insurer **CGNU Life Assurance Limited**

Global business

Financial year ended **31st December 2002**

4 **(a)** that the systems and controls established and maintained by the Company in respect of its business complied at the end of the financial year with the following published guidance:

(i) Guidance Note P.1 – 'Systems and controls over the investments (and counterparty exposure) of insurers with particular reference to the use of derivatives';

(ii) 'The prevention of Money Laundering - Guidance Notes for the UK Financial Sector' (revised December 2001) issued by the Joint Money Laundering Steering Group;

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

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

(i) Guidance Note 4.1 - 'Guidance for insurers and auditors on the Valuation of Assets Rules';

(ii) Guidance Note 4.2 - 'Use of derivative contracts in insurance funds'; and

(iii) Guidance Note 9.1 - 'Preparation of Returns'.

..... **GN WITHERS**
Chief Executive

..... **J A NEWMAN**
Director

..... **M N URMSTON**
Director

26th March 2003

Returns under the Accounts and Statements Rules

Certificate by the appointed actuary required by IPRU (INS) 9.34(b) and IPRU (INS) Appendix 9.6

Name of insurer	**CGNU Life Assurance Limited**
Global business	
Financial year ended	**31st December 2002**

I certify:

(a) (i) that in my opinion proper records have been kept by CGNU Life Assurance Limited (the Company) adequate for the purpose of the valuation of the liabilities of its long term insurance business;

(ii) that the sum of the mathematical reserves as shown on Form 14, together with an amount of £50,895,000 (being part of the excess of the value of the admissible assets representing the long term business funds over the amount of those funds shown in Form 14),constitute proper provision as at 31st December 2002 for the long term insurance business liabilities (other than liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an investigation as at that date into the financial condition of the long term insurance business;

(iii) that for the purpose of sub-paragraph (ii) above, the liabilities have been assessed in accordance with the Determination of Liabilities Rules in the context of assets valued in accordance with the Valuation of Assets Rules, as shown in Form 13;

(iv) that the current versions of Guidance Notes, issued by the Institute of Actuaries and the Faculty of Actuaries, numbered GN1, GN2 (effective date 30.12.02), GN7, GN8 (effective date 30.12.02), GN22 and GN25 have been complied with; and

(v) that in my opinion premiums for contracts entered into during the financial year and the income earned thereon are sufficient, on reasonable actuarial assumptions and taking into account the other financial resources of the Company that are available for the purpose, to enable the Company to meet its commitments in respect of those contracts and, in particular, to establish adequate mathematical reserves.

(b) that the amount of the required minimum margin applicable to the Company's long term insurance business immediately following the end of the financial year (including any amounts resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of the long term business) is £687,265,000.

M N Urmston

Appointed Actuary

26 March 2003

Returns under the Accounts and Statements Rules

Report of the auditors to the directors pursuant to rule 9.35 of the Accounts and Statements Rules

Name of insurer **CGNU Life Assurance Limited**

Global Business

Financial year ended **31st December 2002**

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

- Forms 9, 9A, 10, 13 to 17 and 40 to 45 (including the supplementary notes) ("the Forms");
- the statement required by rule 9.29 on pages 198 ("the statement"); and
- the certificate signed in accordance with rule 9.34(a) on pages 202 ("the certificate").

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

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

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

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, statement and certificate) under the provisions of the Rules. Under rule 9.11 the Forms and statement are required to be prepared in the manner set out in the Rules and to state fairly the information provided on the basis required by the Rules.

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

Bases of opinions

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom" issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms and statement. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year on which we reported on 25 March 2003. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms and statement.

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

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

In giving our opinion we have relied on:

a) the certificate of the actuary on page 205 with respect to the mathematical reserves and the required minimum margin; and
b) the identity and value of implicit items as they have been admitted in accordance with the waiver to rule 2.10 referred to in supplementary note 0902.

Opinions

In our opinion:

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

Ernst & Young LLP
Registered Auditor
London
28 March 2003