Registered Number: 10150

THE SEA INSURANCE COMPANY LIMITED

Annual Report and Accounts

for the year ended 31 December 2007

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Company information

Directors

R J Clayton

D P Cockrem

I A Craston

M G Culmer

M Harris

P L Miles

Secretary

J Possener

Registered office

St Mark's Court
Chart Way
Horsham
West Sussex
RH12 1XL

Auditors

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

The directors present their report and the audited financial statements for the year ended 31 December 2007

Business review and principal activity

The principal activity of the Company is the transaction of general insurance business through branches in E U member states The results for the Company show a profit on ordinary activities before tax of £2,118,000 *(2006 loss £1,025,000)* for the year and gross premiums written of £9,302,000 *(2006 £7,932,000)* The shareholders' funds of the Company were £5,776,000 as at 31 December 2007 *(31 December 2006 £3,981,000).*

Future outlook

The directors continue to review the operations of the Company with a view to its future developments

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated within the principal risks of the Group and are not managed separately Accordingly, the principal risks and uncertainties of the RSA Insurance Group plc (previously Royal & Sun Alliance Insurance Group plc), which include those of the Company, are discussed in the Group Annual Report & Accounts, which do not form part of this report

Key performance indicators

The directors of the RSA Group manage the Group's operations on a divisional basis For this reason the Company's directors believe that analysis using key performance indicators (KPIs) for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company Financial KPIs are detailed in the Annual Report & Accounts of the Group (which do not form part of this report) within the Group CEO review on pages 6 to 10 and the regional business reviews on pages 14 to 22 This document also includes non-financial KPIs which are detailed in the regional business reviews on pages 14 to 22, the corporate responsibility report on pages 30 to 31 and the directors' report on pages 37 to 39

Dividends

The directors do not recommend the payment of a dividend *(2006 £Nil)*

Directors

The names of the current directors are listed on page 2 R J Clayton and P L Miles were appointed as directors on 8 January 2007 and 22 May 2008 respectively H M Maxwell resigned as a director on 8 January 2007

Management of financial risk

The Company invests its available resources in financial assets The management of financial risk is undertaken in accordance with policies established by the parent company to ensure financial risk is properly managed at Group level In addition, the investment policy at Company level is expected to ensure that the Company is able to meet its obligations under the rules of the Financial Services Authority applicable to insurance companies These rules are intended to ensure that the Company is able to meet its obligations to policyholders and that in addition an adequate level of regulatory solvency is met at all times The Company has limited exposure to credit risk, liquidity risk and cash flow risk Its principal exposures are to equity price risk, to external debts due from insurers and reinsurers and to debts due from Group companies which the directors expect to be settled in full as they fall due or on demand as applicable The Company is not party to any arrangements for which hedge accounting is used

Supplier payment policy

The Company does not enter into agreements with suppliers, all arrangements being dealt with by a parent company within the RSA Group

Auditors

At the Extraordinary General Meeting of the Company held on 26 July 2007, PricewaterhouseCoopers LLP stepped down as auditors of the Company and Deloitte & Touche LLP were appointed PricewaterhouseCoopers LLP have confirmed that there are no circumstances connected with their ceasing to hold office which should be brought to the notice of the shareholders or creditors of the Company pursuant to section 394 Companies Act 1985

Each of the persons who is a director at the date of approval of this report confirms that

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

- the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of, and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have confirmed their willingness to continue in office as auditors of the Company The Company has in place an elective resolution under which it is not necessary to propose a resolution to re-appoint the auditors at each Annual General Meeting

By order of the board

J Possener
Secretary
30 October 2008

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditors' report to the members of The Sea Insurance Company Limited

We have audited the financial statements of The Sea Insurance Company Limited for the year ended 31 December 2007 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the statement of accounting policies, estimation techniques, uncertainties and contingencies and the related notes 1 to 15 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the Company's members as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the Company's members those matters we are required 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether, in our opinion, the information given in the Directors' report is consistent with the financial statements In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
31 October *2008*

The Sea Insurance Company Limited

Profit and loss account
for the year ended 31 December 2007

Technical account - General business

	Notes	2007 £000	2006 £000
Gross premiums written	1	9,302	7,932
Outward reinsurance premiums		(2,258)	(1,826)
Net premiums written		7,044	6,106
Change in the gross provision for unearned premiums		1,153	(185)
Change in the provision for unearned premiums, reinsurers' share		(215)	137
Change in the net provision for unearned premiums		938	(48)
Earned premiums, net of reinsurance		7,982	6,058
Claims paid			
Gross amount		(6,286)	(5,205)
Reinsurers' share		1,764	1,144
		(4,522)	(4,061)
Change in the provision for claims			
Gross amount		256	(2,420)
Reinsurers' share		(169)	1,030
		87	(1,390)
Claims incurred, net of reinsurance		(4,435)	(5,451)
Net operating expenses	2	(2,234)	(1,951)
Balance on the technical account for general business		1,313	(1,344)

The notes on pages 14 to 17 form an integral part of these accounts

The Sea Insurance Company Limited

Profit and loss account
for the year ended 31 December 2007

Non-technical account

	Notes	2007 £000	2006 £000
Balance on the technical account for general business		**1,313**	(1,344)
Investment income	3	**642**	398
Unrealised gains/(losses) on investments		**203**	(78)
Investment expenses and charges		**(40)**	(1)
Profit/(loss) on ordinary activities before taxation		**2,118**	(1,025)
Tax (charge)/credit on profit/(loss) on ordinary activities	4	**(322)**	422
Profit/(loss) for the financial year		**1,796**	(603)

Statement of total recognised gains and losses
for the year ended 31 December 2007

	2007 £000	2006 £000
Profit/(loss) for the financial year	**1,796**	(603)
Foreign exchange losses	**(1)**	(50)
Total recognised gains/(losses)	**1,795**	(653)

The notes on pages 14 to 17 form an integral part of these accounts

Balance sheet
as at 31 December 2007

	Notes	2007 £000	2006 £000
Assets			
Investments			
Land and buildings	5	419	175
Other financial investments	5	9,188	9,728
		9,607	9,903
Reinsurers' share of technical provisions			
Provision for unearned premiums		521	695
Claims outstanding		3,243	3,152
		3,764	3,847
Debtors			
Debtors arising out of direct insurance operations		3,173	2,536
Debtors arising out of reinsurance operations		1,050	-
Amounts owed by group undertakings		198	5
Other debtors including taxation and social security		748	954
		5,169	3,495
Other assets			
Tangible assets	6	1	-
Cash at bank and in hand		3,398	1,368
		3,399	1,368
Prepayments and accrued income			
Accrued interest		89	150
Deferred acquisition costs		192	597
		281	747
Total assets		22,220	19,360
Liabilities			
Capital and reserves			
Called up share capital	7	3,250	3,250
Share premium account		1,145	1,145
Profit and loss account	8	1,381	(414)
Shareholders' funds		5,776	3,981
Technical provisions			
Provision for unearned premiums		1,479	2,506
Claims outstanding		9,474	9,023
		10,953	11,529
Creditors			
Creditors arising out of reinsurance operations		1,206	-
Other creditors including tax & social security	9	4,285	3,850
		5,491	3,850
Total Liabilities		22,220	19,360

The notes on pages 14 to 17 form an integral part of these accounts

The accounts were approved by the Board of Directors and are signed on its behalf by

P Miles
Director
30 October 2008

The financial statements are prepared in accordance with applicable UK accounting standards and the Statement of Recommended Practice (SORP) issued by the Association of British Insurers in December 2005 (as amended in December 2006) The accounts of the Company are prepared in accordance with the provisions of section 255 of, and Schedule 9A to, the Companies Act 1985

The financial statements have been prepared under the historical cost accounting rules

The Company's accounting policies are set out below and have been consistently applied throughout the current and preceding financial years

General business technical account

General business is accounted for on an annual basis Premiums written are accounted for in the year in which the related risks commence and include estimates where the amounts are not determined at the balance sheet date Premiums written exclude taxes and duties levied on premiums The commission and other acquisition costs incurred in writing the business are deferred and amortised over the period in which the related premiums are earned

Premiums payable in respect of reinsurance ceded are recognised in the period in which the reinsurance contract is entered into Premiums are expensed over the period of the reinsurance contract

Claims paid represent all payments made during the period whether arising from events during that or earlier periods

The balance on the general business technical account is arrived at after taking account of changes in the equalisation provision

Technical provisions

The provision for unearned premiums represents the proportion of premiums written relating to periods of insurance subsequent to the balance sheet date, calculated principally on a daily pro-rata basis

The provision for claims outstanding, whether reported or not, comprises the estimated cost of claims incurred but not settled at the balance sheet date It includes related expenses and a deduction for the expected value of salvage and other recoveries The provision is determined using the best information available of claims settlement patterns, forecast inflation trends and after recognition of the potential time elapsed in the notification, development and settlement of claims

Differences between the estimated cost and subsequent settlement are dealt with in the appropriate technical account for the year in which the claims are settled or re-estimated

A reinsurance asset (reinsurers' share of claims outstanding) is recognised to reflect the amount estimated to be recoverable under the reinsurance contracts in respect of the outstanding claims reported under the provision for claims outstanding

Provision is made, based on information available at the balance sheet date, for any estimated future underwriting losses relating to unexpired risks, after taking account of future investment income on relevant technical provisions The unexpired risk provision is assessed in aggregate for business classes which in the opinion of the directors are managed together When considering any requirement for a provision for unexpired risks, no account is taken of any new claims events occurring after the balance sheet other than those that can be expected during the unexpired period of risk at the balance sheet date

Translation of foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates ruling at the year end and overseas revenue transactions are translated into sterling at the average rate for the period The resulting exchange adjustments, including the differences arising from the translation of the technical provisions at the beginning of the year at year-end rates are taken to reserves

Tangible assets

Expenditure on plant and machinery, motor vehicles and fixtures and fittings is capitalised and depreciated by equal annual instalments over the estimated useful lives of the assets which range from two to five years

Investment income

Investment income is included on an accruals basis except for dividends on ordinary shares which are accounted for when the related investment goes "ex-dividend" Investment income is recorded net after deducting related tax charges on dividend income

Taxation

Current taxation in the Non-Technical Account is based on profits and income for the year as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior years UK tax in respect of overseas subsidiaries and principal associated undertakings is based on dividends received

Deferred tax is provided in full and consists of the estimated taxation or relief from taxation which is expected to arise from material timing differences using rates based on tax rates and laws that have been substantively enacted by the balance sheet date Provision is made for taxation which might arise on the distribution of profits retained by overseas subsidiaries or associated undertakings only to the extent dividends have been accrued as receivable Credit is taken for relief for trading and other losses only to the extent that the directors anticipate that suitable profits will absorb such losses in future periods

Deferred tax balances that derive from undiscounted cash flows and for which the impact of discounting is material have been discounted using appropriate rates

Investments

Investments are stated in the balance sheet at market values, comprising stock exchange values for listed securities, open market valuations by the Company's qualified surveyors for properties, and directors' valuations for other investments

In accordance with SSAP19, no depreciation or amortisation is provided in respect of freehold investment properties as these properties are held for investment The requirement of the Companies Act 1985 is to depreciate all properties, which conflicts with the generally accepted accounting principle set out in SSAP19 The directors consider that, as these properties are held for investment to depreciate them would not give a true and fair view

Realised and unrealised gains and losses are dealt with in the non-technical account

Estimation techniques, uncertainties and contingencies

Introduction

One of the purposes of insurance is to enable policyholders to protect themselves against uncertain future events Insurance companies accept the transfer of uncertainty from policyholders and seek to add value through the aggregation and management of these risks

The uncertainty inherent in insurance is inevitably reflected in the financial statements of insurance companies The uncertainty in the financial statements principally arises in respect of the insurance liabilities of the Company

The insurance liabilities of an insurance company include the provision for unearned premiums and unexpired risks and the provision for outstanding claims Unearned premiums and unexpired risks represents the amount of income set aside by the Company to cover the cost of claims that may arise during the unexpired period of risk of insurance policies in force at the balance sheet date Outstanding claims represents the Company's estimate of the cost of settlement of claims that have occurred by the balance sheet date but have not yet been finally settled

In addition to the inherent uncertainty of having to make provision for future events, there is also considerable uncertainty as regards the eventual outcome of the claims that have occurred by the balance sheet date but remain unsettled This includes claims that may have occurred but have not yet been notified to the company and those that are not yet apparent to the insured

As a consequence of this uncertainty, the insurance company needs to apply sophisticated estimation techniques to determine the appropriate provisions

Estimation techniques

Claims and unexpired risks provisions are determined based upon previous claims experience, knowledge of events and the terms and conditions of the relevant policies and on interpretation of circumstances Particularly relevant is experience with similar cases and historical claims payment trends The approach also includes the consideration of the development of loss payment trends, the potential longer term significance of large events, the levels of unpaid claims, legislative changes, judicial decisions and economic and political conditions

Where possible the Company adopts multiple techniques to estimate the required level of provisions This assists in giving greater understanding of the trends inherent in the data being projected The Company's estimates of losses and loss expenses are reached after a review of several commonly accepted actuarial projection methodologies and a number of different bases to determine these provisions These include methods based upon the following

- the development of previously settled claims, where payments to date are extrapolated for each prior year,
- estimates based upon a projection of claims numbers and average cost,
- notified claims development, where notified claims to date for each year are extrapolated based upon observed development of earlier years, and
- expected loss ratios

In addition, the Company uses other methods such as the Bornhuetter-Ferguson method, which combines features of the above methods The Company also uses bespoke methods for specialist classes of business In selecting its best estimate, the Company considers the appropriateness of the methods and bases to the individual circumstances of the provision class and underwriting year The process is designed to select the most appropriate best estimate

Large claims impacting each relevant business class are generally assessed separately, being measured either at the face value of the loss adjuster's estimates or projected separately in order to allow for the future development of large claims

Provisions are calculated gross of any reinsurance recoveries A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provisions and having due regard to collectability

Estimation techniques, uncertainties and contingencies (cont.)

The claims provisions are subject to close scrutiny both within the Company's business units and at Group Corporate Centre In addition, for major classes where the risks and uncertainties inherent in the provisions are greatest, regular and ad hoc detailed reviews are undertaken by advisors who are able to draw upon their specialist expertise and a broader knowledge of current industry trends in claims development The results of these reviews are considered when establishing the appropriate levels of provisions for outstanding claims and unexpired periods of risk

It should be emphasised that the estimation techniques for the determination of insurance liabilities involve obtaining corroborative evidence from as wide a range of sources as possible and combining these to form the overall estimate This technique means that the estimate is inevitably deterministic rather than stochastic A stochastic valuation approach, whereby a range of possible outcomes is estimated and probabilities assigned thereto, is only possible in a limited number of situations

Uncertainties and contingencies

The uncertainty arising under insurance contracts may be characterised under a number of specific headings, such as

- uncertainty as to whether an event has occurred which would give rise to a policyholder suffering an insured loss,
- uncertainty as to the extent of policy coverage and limits applicable,
- uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring, and
- uncertainty over the timing of a settlement to a policyholder for a loss suffered

The degree of uncertainty will vary by policy class according to the characteristics of the insured risks and the cost of a claim will be determined by the actual loss suffered by the policyholder

There may be significant reporting lags between the occurrence of the insured event and the time it is actually reported to the Company Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim There are many factors that will determine the level of uncertainty such as inflation, inconsistent judicial interpretations and court judgments that broaden policy coverage beyond the intent of the original insurance, legislative changes and claims handling procedures

The establishment of insurance liabilities is an inherently uncertain process and, as a consequence of this uncertainty, the eventual cost of settlement of outstanding claims and unexpired risks can vary substantially from the initial estimates, particularly for long tail lines of business The Company seeks to provide appropriate levels of claims provision and provision for unexpired risks taking the known facts and experience into account

The Company evaluates the concentration of exposures to individual and cumulative insurance risk and establishes its reinsurance policy to reduce such exposure to levels acceptable to the Company

1. Segmental information

All business written in 2007 and 2006 is direct marine, aviation and transport business which arose principally in Europe Within gross operating expenses for direct business are commissions of £1,677,000 *(2006 £2,327,000)*

2. Net operating expenses

	2007 £000	2006 £000
Acquisition costs	**2,139**	2,327
Change in deferred acquisition costs	**425**	6
Administrative expenses	**39**	52
Reinsurance commissions and profit participation	**(369)**	(434)
Net operating expenses	**2,234**	1,951

3. Investment income

Included within investment income are realised gains/(losses) of £256,000 *(2006 (£134,000))*

4. Taxation

Taxation in the non-technical account comprises

	2007 £000	2006 £000
Current tax		
UK corporation tax	**478**	(399)
Double taxation relief	**(61)**	-
Overseas taxation on profits	**61**	12
Adjustments in respect of prior periods	**(261)**	(95)
Total current tax	**217**	(482)
Deferred tax		
Timing differences – origination and reversal	**105**	60
Total deferred tax	**105**	60
Tax charge/(credit)	**322**	(422)

The current tax charge/(credit) for the year is less than *(2006 more than)* 30% due to the items set out in the reconciliation below

	2007 £000	2006 £000
Profit/(loss) on ordinary activities before tax	**2,118**	(1,025)
Tax at 30%	**636**	(308)
Factors affecting charge		
Tax exempt income and investment gains/(losses)	**-**	9
Fiscal adjustments	**(106)**	(97)
Adjustment to prior year provisions	**(261)**	(95)
Other timing differences	**(52)**	12
Foreign tax credits expensed	**-**	(3)
Current tax charge/(credit) for the period	**217**	(482)

4. Taxation (cont.)

Deferred taxation

Deferred tax for the current year is based on a rate of 28% (*2006 30%*)

	2007 £000	2006 £000
Unrealised investment gain	(105)	-
Deferred tax provision	(105)	-

Other debtors included in the balance sheet include £Nil (*2006 £Nil*) relating to deferred tax

	2007 £000	2006 £000
At 1 January	-	60
Charged	-	(60)
At 31 December	-	-

Other creditors included in the balance sheet include £105,000 (*2006 £Nil*) relating to deferred tax

	2007 £000	2006 £000
At 1 January	-	-
Charged	(105)	-
At 31 December	(105)	-

5. Investments

	2007 £000	2006 £000
Freehold land and buildings	419	175
Other financial investments		
Shares and other variable yield securities and units in unit trust	-	1,284
Debt securities and other fixed income securities	1	-
Participation in investment pool	9,187	8,444
	9,188	9,728

	2007 £000	2006 £000
Included in above are listed investments		
Participation in investment pool	9,187	8,444

The historical cost of investments is £9,051,000 *(2006 £9,574,000)*

6. Tangible assets

	2007 £000	2006 £000
Cost		
Balance at 1 January	-	-
Purchases in the year	2	-
Balance at 31 December	**2**	-
Provision for depreciation		
Balance at 1 January	-	-
Charged to technical account	(1)	-
Balance at 31 December	(1)	-
Net book value at 31 December	**1**	-

Tangible assets comprise office equipment

7. Share capital

	2007 £000	2006 £000
Authorised 44,000,000 *(2006 44,000,000)* ordinary shares of 25p each	**11,000**	11,000
Issued and fully paid 13,000,000 *(2006 13,000,000)* ordinary shares of 25p each	**3,250**	3,250

8. Reconciliation of movements in shareholders' funds

	Share capital/ premium £000	Profit & loss account £000	2007 £000	2006 £000
Shareholders' funds at 1 January	4,395	(414)	**3,981**	4,634
Total recognised gains/(losses)	-	1,795	**1,795**	(653)
Shareholders' funds at 31 December	4,395	1,381	**5,776**	3,981

9. Other creditors including tax & social security

	2007 £000	2006 £000
Due to parent company	**3,173**	3,653
Due to fellow subsidiaries	**173**	173
Other	**939**	24
	4,285	3,850

10. Directors' remuneration

None of the directors received any emoluments from the Company during the year *(2006 £Nil)* All the directors receive remuneration from Royal & Sun Alliance Insurance plc as employees of that company, and it is not appropriate, because of the non-executive nature of their services, to make an apportionment of their emoluments in respect of the Company

11. Employees and staff costs

The Company did not employ anyone during the year *(2006 Nil)* All administrative duties from 2007 are performed by employees of Royal & Sun Alliance Assicurazioni at no cost to the Company *(2006 £Nil)*

12. Auditors' remuneration

Fees payable to Deloitte & Touche LLP for the audit of the Company's annual accounts were £3,000 *(2006 PricewaterhouseCoopers LLP £2,850)* which were borne by a parent company Details of the non-audit fees payable to Deloitte & Touche LLP are disclosed in the RSA Insurance Group plc (previously Royal & Sun Alliance Insurance Group plc) 2007 Report & Accounts

13. Cash flow

The Company is a wholly owned subsidiary of RSA Insurance Group plc (previously Royal & Sun Alliance Insurance Group plc) and the cash flows of the Company are included in the consolidated cash flow statement of RSA Insurance Group plc (previously Royal & Sun Alliance Insurance Group plc) The Company has thus taken advantage of the exemption permitted by FRS1 (revised) and has elected not to prepare its own cash flow statement

14. Related party transactions

Advantage has been taken of the exemption provided in FRS8 from disclosing details of transactions with RSA Insurance Group plc (previously Royal & Sun Alliance Insurance Group plc) and its subsidiaries and associated undertakings

15. Parent companies

The Company's immediate parent company is The London Assurance which is registered in England and Wales

The Company's ultimate parent company is RSA Insurance Group plc (previously Royal & Sun Alliance Insurance Group plc) which is incorporated in Great Britain and registered in England and Wales, and is the parent undertaking of the largest and smallest group to consolidate these financial statements A copy of that company's accounts can be obtained from 9th Floor, One Plantation Place, 30 Fenchurch Street, London EC3M 3BD