Swiss Reinsurance Company UK Limited
Annual Report 2007

Company Registration No 953475

Contents

Directors and Officers

Board of Directors as at 28 March 2008	Tim Carroll	Chairman	
	Philippe Regazzoni		
	Mark Swallow		Appointed 28 June 2007
	Martin Albers		Resigned 31 December 2007
	Clare Bousfield		Resigned 31 May 2007
	David Godfrey		Resigned 20 November 2007
Company Secretary	Sarah Lewis		

Auditors

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London SE1 2RD

Registered Office

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Company Registration Number 953475

Directors' Report

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2007

Principal activity
The principal activity of Swiss Reinsurance Company UK Ltd (the Company) is the transaction of all classes of general insurance and reinsurance

Results and Dividends
The results for the year are set out on pages 11 and 12

The retained profit on ordinary activities after tax in 2007 amounted to £82 8 million (2006 £36 3 million)

The Directors recommend that no dividends be declared on the ordinary shares for 2007 (2006 £nil) The following dividends were declared but not distributed on the preference shares £1 8 million on the 7% cumulative preference shares (2006 £1 8 million, not distributed) as at 31 December 2007 Following the capital changes post year end, the accrued dividends on the preference share capital were paid to Swiss Reinsurance Company on 2 January 2008 The Directors will give consideration to the declaration of further interim dividends during the course of 2008

Business Review
On 31 July 2007, one of the Company's subsidiaries, SR International Business Insurance Company Limited was re-registered as a public limited company under the name SR International Business Insurance Company plc On 17 October 2007, this subsidiary merged with Reassurantie Maatschappij Nederland NV "RMN", and converted its legal status to that of a Societas Europaea registered in England & Wales under the name SR International Business Insurance Company SE, pursuant to articles 17(2)(a) and 29(1)(d) of the Council Regulation (EC) No 2157/2001 of 8 October 2001 The impact of the merger is that the Company's ownership reduced from 100% to 96 2% Subsequent to all the above events, on 31 December 2007, the subsidiary was sold to the immediate parent company, Swiss Re GB Plc at net asset value on that date All intercompany balances were settled on 2 January 2008 following the changes to the capital and capital repayment as described in note 26

During 2007 the Swiss Re Group announced its intention to optimise its legal entity structure in the European Union by forming two legal entities, based in Luxembourg, which will serve as risk carriers for most of its European reinsurance and insurance business, operating via branches in the rest of the EU The new legal structure will result in more efficient capital management, administration and reporting

As a result of this group restructure the majority of the business and assets of the Company were transferred to Swiss Re Europe S A , ('SRE'), a subsidiary of Swiss Re Management Luxembourg SA (SRML), under a Scheme pursuant to Part VII of the Financial Services & Markets Act 2000 on1 January 2008 Post the transfer, the share capital of the Company was reduced and repaid to Swiss Re GB Plc ('SRGB') and Swiss Reinsurance Company The changes to the capital of the Company are detailed in the Notes to the Financial Statements

Business Environment
The Company operates in the highly competitive UK and Irish insurance markets Business is traditionally introduced via intermediaries although the Company is structured to develop its own business relationships and so direct placement with cedants does occur

The most notable development in the primary and reinsurance markets was the low level of catastrophe events This was mainly due to the quiet hurricane season in the US and surrounding areas, as well as the absence of large catastrophes in Europe Further, most of the primary insurers have seen another year of positive underwriting results, in part due to the sustained underwriting discipline of recent years Although the performance of the reinsurance market is linked to the primary market, reinsurers, who are comparably more exposed to large events, outperformed the primary market

Contracts written are generally of 12 months duration These are subject to competitive tendering on renewal This can lead to volatility in business volume, particularly as pricing is cyclical, driven by the relationship of claims to premiums and the entry of capital to write new business The performance of the Company is intrinsically linked to impacts arising from catastrophic natural events (floods, wind storms etc) and man-made disasters (fire, accident damage, bodily injury, professional and product liability etc) The Company benefits from Swiss Re Group developed tools to assist the assessment of risks acquired and the calculation of the associated premiums for assuming those risks

Business Strategy
The business strategy is to be the principal reinsurer in the UK and Irish Markets by sharing our unique risk management capabilities with clients The Company allows insurers to transfer risk, make efficient use of capital and execute competitive business strategies

Swiss Re's business goals are to ensure sustainable earnings growth and to pursue high quality business rather than volume for volume's sake This is further supported by continually expanding the scope and range of services we provide to clients in all lines of business and regions Swiss Re's strategic direction focuses on four key objectives to deliver enhanced sustainable return for shareholders

- Generate economic profit growth,
- Reduce earnings volatility,
- Enlarge market scope, and
- Advance organisational excellence

In the UK, the global strategic objectives have been embedded in all activities, helping us to further improve our economic efficiency, as well as seeking opportunities, whether organically or through acquisitions, for profitable growth in our insurance and reinsurance markets

Future Outlook

Following the transfer of the Company's reinsurance portfolios, it is anticipated that, in due course, it will apply to cancel its Part IV Permissions and cease to be authorised and regulated by the Financial Services Authority in the United Kingdom

We do not envisage that the transfer will have a significant impact on the Company's clients as the local operation's business structure and market approach remain unchanged The existing local operation will continue, operating as a branch, to have responsibility for its business activities, operating in the name of Swiss Re Europe S A , UK Branch The Directors expect the business to continue in line with current strategy of the Swiss Re Group

Principal Risks & Uncertainties
The management of the business and the execution of the Company's strategy are subject to a number of risks The key business risks affecting the Company are set out below Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them The following were defined as key business risks prior to the Part VII transfer on 1 January 2008

Insurance risk refers to fluctuation in the timing, frequency and severity of insured events, relative to the expectations at the time of underwriting Insurance risk can also refer to fluctuations in the timing and amount of claim settlements Specific examples of insurance risk include variations in the amount or frequency of claims or the unexpected occurrence of multiple claims arising from a single cause

The Company manages its exposure to insurance risk by use of reinsurance, predominately from the Swiss Re Group In addition, effective from 1 January 2008 the Company will also participate in a Group wide reinsurance contract covering non-life business with Berkshire Hathaway

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price Market risk typically comprises currency risk, interest rate risk and equity price risk Equity price risk is the risk that arises from changes in market prices and these may be caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market Market risk is managed by investing in a well diversified portfolio of assets and, where appropriate, across both asset categories and geographical exposures The risk is monitored by the Finance and Risk Committee

The Company has exposure to asset backed securities These holdings are predominately AAA rated where the underlying assets are a mixture of residential and commercial mortgage backed securities Most of the underlying holdings are UK based assets together with certain US holdings with a government agency guarantee The Company uses Swiss Re Asset Management (SRAM) to value and monitor the holdings and SRAM report the performance of the Company's investment portfolio to the Board and the Finance and Risk Committee In accordance with the Company's accounting policies these investments are held at current value The valuation is established with reference to external market sources where available and in certain very limited situations management judgement where external valuations are abnormally high and not considered reliable, in this situation the valuation is set with reference to other such similar securities There was no significant diminution in value as at 31 December 2007 in the carrying value of these holdings

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due Key areas where the Company is exposed to credit risk are

- Exposure to corporate bonds,
- Reinsurer's share of insurance liabilities,
- Amounts due from reinsurers in respect of claims already paid, and
- Amounts due from insurance contract holders

The Company places limits on its exposures to any single counterparty and to geographical and industry segments

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost

The Company holds the vast majority of its financial investment assets in listed investments These are readily realisable in a relatively short period of time thus reducing overall liquidity risk

Operational risk is the risk of loss, resulting from inadequate or failed internal processes, people and systems, or from external events Within the Company this is wide ranging and can cover risks arising from policy issues, general processing or functionality errors, data, financial modelling and corporate tax, business continuity and outsourcing The Company monitors operational risk through routine management information and internal audits

Risk management

The risk management framework of Swiss Re GB Plc (SRGB Group), is established in accordance with Swiss Re's overall risk management framework and relevant guidelines

The ultimate responsibility for the Company's risk management principles and policies lies with its Board of Directors, which is also responsible for approving the overall risk tolerance The Committee of the Board that deals with risk management issues is the Finance and Risk Committee Group Internal Audit monitors the internal control framework

The Board has ultimate responsibility for risk management and is required to approve the overall risk framework for the Company, including risk policies, and review and approve the identification and prioritisation of all material risks facing the business, ensuring that arrangements are put in place to control those risks

The Swiss Re GB Plc Audit Committee is responsible for satisfying itself that a proper internal control framework to manage risks is in place throughout its group of companies and that controls are demonstrated to operate effectively

Directors' Report

The newly created UK branch of SRE will be required to comply with the risk management framework and guidelines adopted by the Board of Directors of SRE These are expected to remain largely unchanged The UK branch manager is responsible for ensuring the local branch complies with the risk management framework and guidelines adopted by SRE and in turn is responsible for ensuring relevant matters are escalated to the Board of Directors of SRE and/or its Board Committees as appropriate

Key Performance Indicators
Performance during the current year together with comparative data is set out below

KPI	2007	2006	
Gross Written Premiums £'m	368 2	470 5	Gross premiums written before outwards reinsurance
Gross Loss Ratio	41%	34%	Ratio of gross claims incurred to gross earned premiums
Gross Combined Ratio	70%	62%	Ratio of gross claims incurred, commissions and expenses to gross premiums earned
Net Underwriting Result £'m	23 0	1 1	Balance on technical account for general business
Shareholder's Funds £'m	515 7	431 3	Value of shares in issue plus profit and loss account and revaluation account
Minimum Capital Requirement £'m	95 1	173 9	Amount required for FSA regulatory purposes

Directors
The names of the Directors who served during the year up to 31 December 2007 are listed on page 3, together with those who served up to the date of signing the financial statements

Statement of Directors' responsibilities
The following statement should be read in conjunction with the auditors' report set out on pages 9 and 10, with a view to distinguishing for shareholders the respective responsibilities of the Directors and Auditors in relation to the financial statements

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently, with the exception of changes arising on the adoption of the new accounting standards in the year,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 confirm that the financial statements comply with the above requirements and also confirm that

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Directors' Report

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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

Suppliers
The Company has no external suppliers as all services are provided by other group companies All external expenses incurred by the Company are settled by inter-company recharges

Charitable and Political donations
No donations were made for charitable or political purposes during the year (2006 £nil)

Auditors
PricewaterhouseCoopers LLP have expressed their willingness to continue in office as Auditors and accordingly a resolution to propose their re-appointment will be submitted at the annual general meeting

On behalf of the Board

Timothy J Carroll

Tim Carroll
Director
28 March 2008

Independent Auditors' Report

To the Members of Swiss Reinsurance Company UK Limited
We have audited the financial statements of Swiss Reinsurance Company UK Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes These financial statements have been prepared under the accounting policies set out therein

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) This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 judgments 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

Independent Auditors' Report

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 31 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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
28 March 2008

Profit and Loss Account
Technical Account – General Business

For the year ended 31 December 2007

	Notes	2007 £'m	2007 £'m	Restated 2006 £'m	Restated 2006 £'m
Earned premiums, net of reinsurance					
Gross premiums written	2(a), (b)	368 2		470 5	
Outward reinsurance premiums	19	(339 7)		(1,493 4)	
Net premiums written		28 5		(1,022 9)	
Change in the gross provision for unearned premiums	19	34 2		(70 3)	
Change in the provision for unearned premiums, reinsurers' share	19	(29 4)		98 2	
Net change in the provision for unearned premiums		4 8		27 9	
Earned premiums, net of reinsurance			**33 3**		**(995 0)**
Allocated investment return transferred from the non technical account	1(g), 5		**6 4**		**6 7**
Claims incurred, net of reinsurance					
Claims paid					
Gross amount		(550 2)		(378 6)	
Reinsurers' share		510 2		328 7	
Net claims paid		(40 0)		(49 9)	
Change in the provision for claims					
Gross amount	19	386 9		243 5	
Reinsurers' share	19	(353 0)		810 6	
Net change in the provision for claims		33 9		1,054 1	
Claims incurred, net of reinsurance			**(6 1)**		**1,004 2**
Net operating expenses	3		**(10 6)**		**(14 8)**
Balance on the technical account for general business	2(a)		**23 0**		**1 1**

All of the above amounts derive from discontinued activities

Profit and Loss Account
Non Technical Account

For the year ended 31 December 2007

	Notes	2007 £'m	2007 £'m	Restated 2006 £'m	Restated 2006 £'m
Balance on the general business technical account			**23 0**		**1 1**
Investment income	1(g), 5	74 1		31 2	
Unrealised gains on investments	5	19 9		14 6	
Investment expenses and charges	5	(24 3)		(31 9)	
Allocated investment return transferred to the general business technical account	1(g), 5	(6 4)		(6 7)	
Net investment return	5		**63.3**		**7 2**
Other income	9 (a)		0 1		65 0
Other charges, including value adjustments	9 (b)		(11 2)		-
Profit on ordinary activities before tax	6		**75 2**		**73 3**
Tax credit/(charge) on profit on ordinary activities	8		7 6		(37 0)
Profit on ordinary activities for the financial year			**82 8**		**36 3**

All of the above amounts derive from discontinued activities

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2007

	2007 £'m	2006 £'m
Profit for the financial year	82 8	36 3
Revaluation of subsidiaries	1 6	42 6
Total gains recognised since last annual Report	**84 4**	**78 9**

The notes on pages 15 to 29 form an integral part of these financial statements

Balance Sheet

As of 31 December 2007

Assets	Notes	2007 £'m	2007 £'m	2006 £'m	2006 £'m
Investments					
Investments in group undertakings and participating interests	10	97 4		282 9	
Other financial investments	11	570 4		457 6	
Deposits with ceding undertakings	12	22 8		28 1	
			690 6		**768.6**
Reinsurers' share of technical provisions					
Provision for unearned premiums	19	141 2		174 1	
Claims outstanding	19	1,873 4		2,223 7	
Other technical provisions		25 2		-	
			2,039 8		**2,397 8**
Debtors					
Debtors arising out of direct insurance operations		21 3		27 0	
Debtors arising out of reinsurance operations	13	341 1		472 3	
Deferred taxation	1(j), 14	3 1		0 4	
Other debtors	15	265 0		41 7	
			630 5		**541 4**
Other assets					
Cash at bank			**13 9**		**125 3**
Prepayments and accrued income					
Accrued interest		2 9		6 6	
Deferred acquisition costs		25 6		38 7	
			28 5		**45 3**
Total assets			**3,403 3**		**3,878 4**

Balance Sheet

As of 31 December 2007

Liabilities	Notes	2007 £'m	2007 £'m	2006 £'m	2006 £'m
Capital and reserves					
Called up share capital	16	474 0		474 0	
Profit and loss account	17	25 6		(119 3)	
Revaluation Reserve	17	16 1		76 6	
Total shareholder's funds	18		**515 7**		**431 3**
Technical provisions					
Provision for unearned premiums	19	159 3		199 8	
Claims outstanding	19	2,078 6		2,452 3	
Other technical provisions		28 0			
			2,265 9		2,652 1
Provision for other risks and charges	20		**2 9**		**4 9**
Deposits received from reinsurers			**4 3**		**22 2**
Creditors					
Creditors arising out of direct insurance operations		6 7		4 6	
Creditors arising out of reinsurance operations	21	505 4		633 9	
Other creditors including taxation and social security	22	78 4		73 7	
Amount owed to credit institutions		0 3		22 6	
			590 8		**734 8**
Accruals and deferred income			**23 7**		**33 1**
Total liabilities			**3,403 3**		**3,878 4**

The financial statements on pages 11 to 29 were approved by the Board of Directors on 28 March 2008 and were signed on their behalf by

Tim Carroll
Director

Notes to the Financial Statements

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in compliance with Section 255 of, and Schedule 9A to, the Companies Act 1985, and with the Statement of Recommended Practice of Accounting for Insurance Business issued by the Association of British Insurers dated December 2005 (revised December 2006) The accounting policies adopted reflect UK financial reporting standards and statements of accounting practice applicable at the end of the financial year, as considered appropriate for an insurance company

The financial statements present information on the activities of the Company as an individual undertaking and do not reflect the activities of the Swiss Reinsurance Company UK Ltd Group as a whole The Company is exempt from the requirement to prepare and deliver group accounts by virtue of Section 228 of the Companies Act 1985, being a wholly owned subsidiary and consolidated within the accounts of Swiss Reinsurance Company, registered in Switzerland

The Company is exempt from preparing a cash flow statement in accordance with Financial Reporting Standard 1, Cash Flow Statements (FRS 1), as it is included by full consolidation in the consolidated financial statements of Swiss Reinsurance Company, registered in Switzerland

In accordance with Financial Reporting Standard 3, Reporting Financial Performance (FRS 3), the Company is exempt as an insurance company, from the requirement to include a note of historical cost profit and losses

In accordance with Financial Reporting Standard 8, Related Party Disclosures (FRS 8), the Company is exempt, as a wholly owned subsidiary, from the requirement to disclose transactions with entities that are part of Swiss Re or investees of Swiss Re qualifying as related parties

The following accounting policies have been applied consistently in dealing with items which are considered material to the Company's financial statements

b) Premiums

General business premiums written reflect business incepted during the year and include adjustments to premiums written in prior financial periods and estimates for pipeline premiums

Outward reinsurance premiums, commissions and claims are accounted for in the same financial period as the premium for the related inwards reinsurance business

c) General business technical provisions

i) Unearned premiums are those proportions of the premiums written in a financial year that relate to periods of risk after the balance sheet date They are determined principally on a daily basis The costs of acquiring new insurance contracts and the renewal of existing contracts which are incurred during a financial year but which relate to a subsequent year are deferred to the extent that they relate to unearned premiums at the balance sheet date

ii) Provision is made for the estimated cost of claims outstanding at the end of the financial year, including those incurred but not reported at that date, and for the related costs of settlement Claims incurred comprise amounts paid or provided in respect of claims occurring during the current financial year, together with the amount by which settlement or reassessment of claims from previous financial years differs from the provision at the beginning of the financial year

Such provisions, although not capable of precise assessment, are made in the light of information made available by cedants, statistically based projections and technical judgement These are the subject of on-going review and any resulting adjustments are reported in the financial year in which they are identified Further details of adjustments made to prior years' provisions are shown in note 4

Notes to the Financial Statements

1 Accounting policies (continued)

iii) An equalisation provision has been established and calculated in accordance with the requirements of the Integrated Prudential Sourcebook for Insurers to mitigate exceptional high loss ratios for classes of business displaying a high degree of claims volatility The amounts provided are not liabilities because they are in addition to the provisions required to meet the anticipated ultimate cost of settlement of outstanding claims at the balance sheet date Notwithstanding this, they are required by Schedule 9A of the Companies Act 1985, to be included within technical provisions

d) Claims provisions and related reinsurance recoveries

Provision is made at the year end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the Company The estimated cost of claims includes expenses to be incurred in settling claims and a deduction for the expected value of salvage and other recoveries The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established

The estimation of claims incurred but not reported ("IBNR") is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claim event is generally available Claims IBNR may often not be apparent to the insured until many years after the event giving rise to the claim has happened Classes of business where the IBNR proportion of the total reserve is high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves Classes of business where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility In calculating the estimated cost of unpaid claims the Company uses a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience as adjusted to reflect changes in the underlying exposures

Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including

- changes in Company or cedant processes which might accelerate or slow down the development and/or recording of paid or incurred claims compared with the statistics from previous periods
- changes in the claims, social, economic and legal environment
- the effects of inflation
- changes in the mix of business
- the impact of large losses
- movements in industry benchmarks

A component of these estimation techniques is usually the estimation of the cost of notified but not paid claims In estimating the cost of these the Company has regard to the claim circumstance as reported, any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods Additionally, claims reserves include provisions, where considered appropriate, for actual and potential disputes in relation to the settlement of claims liabilities, incurred in the usual course of business

Large claims impacting each relevant business class are generally assessed separately, being measured on a case by case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims

Notes to the Financial Statements

1 *Accounting policies (continued)*

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, and the range of possible outcomes The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each underwriting year

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

Property and accident business

Property and accident business is "short tail", in that there is not a significant delay between the occurrence of the claim and the claim being reported to the Company The costs of claims notified to the Company at the balance sheet date are estimated on a case by case basis to reflect the individual circumstances of each claim The ultimate expected cost of claims is projected from this data by reference to statistics which show how estimates of claims incurred in previous periods have developed over time to reflect changes in the underlying estimates of the cost of notified claims and late notifications

Motor, marine and liability claims

Motor, marine and liability claims are longer tail than the classes of business described above and so a larger element of the claims provision relates to incurred but not reported claims Claims estimates for these classes of business are derived from a combination of loss ratio based estimates and an estimate based upon actual claims experience using a formula whereby greater weight is given to actual claims experience as time passes The initial estimate of the loss ratio based on the experience of previous years adjusted for factors such as exposure changes, premium rate changes and claims inflation, and on the anticipated market experience, is an important assumption in this estimation technique As regards the liability and motor classes, the assessment of claims inflation and anticipated market experience is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort Liability business is also subject to the emergence of new types of latent claims but no allowance is included for this as at the balance sheet date

Reinsurance recoveries

Reinsurance recoveries in respect of estimated claims incurred but not reported are assumed to be consistent with the historical pattern of such recoveries, adjusted to reflect changes in the nature and extent of the Company's reinsurance programme over time An assessment is also made of the recoverability of reinsurance recoveries having regard to market data on the financial strength of each of the reinsurance companies

e) General business technical result

This is determined on an annual basis and applied consistently across all classes of business

f) Investments

Listed investments are stated at bid price on the balance sheet date, or on the last stock exchange trading day before the balance sheet date Other investments are valued by the Directors on a realisable basis Investments in subsidiaries are at current value, the Directors best estimate of this is net asset value

g) Investment return

Investment return comprises investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses and charges

Interest and expenses are included on an accruals basis

Realised gains and losses on investments are calculated as the difference between the net sale proceeds and original cost

Notes to the Financial Statements

1 Accounting policies (continued)

Unrealised gains and losses represent the difference between the valuation of investments at the balance sheet date and their purchase price or, if they have been previously valued, their valuation at the last balance sheet date The movement in unrealised gains and losses recognised in the year also includes the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period

An allocation of the actual investment return on investments supporting the general business technical provisions is made from the non technical account to the general business technical account

h) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange prevailing at the balance sheet date with the exception of non monetary items which are maintained at historic rates Revenue transactions denominated in foreign currencies are translated into Sterling at average rates of exchange for the year Profits and losses arising from the fluctuation are included in the non technical account

i) Pensions

The Swiss Re GB Pension scheme is a hybrid scheme with defined benefit and defined contribution benefits Pension contributions are borne by Swiss Re Services Limited, a fellow subsidiary company, and recharged through the management charge to the operating companies All other pension costs are borne by Swiss Re Services Limited

The Company is unable to identify its share of the defined benefit assets and liabilities and has therefore adopted the exception provided in Financial Reporting Standard 17, Retirement Benefits (FRS 17), which allows it to be accounted for as a defined contribution scheme

The full disclosures as required by FRS 17 are provided in the accounts of Swiss Re Services Limited

j) Taxation

Taxation in the non-technical account is based on profits and income for the period as determined in accordance with the relevant tax legislation together with adjustments to provisions for prior periods Provision is made for deferred tax liabilities in accordance with the provisions of Financial Reporting Standard 19, Deferred Tax (FRS 19) Full provision has been made for deferred tax arising on timing differences

Deferred tax is calculated at the rates at which it is expected that the tax will arise and is recognised in the profit and loss account for the period, except to the extent it is attributable to a gain or loss recognised directly in the statement of total recognised gains and losses In this case the attributable deferred tax is shown separately in the statement of total recognised gains and losses The provision for deferred tax is not discounted

Deferred tax assets are recognised to the extent that they are regarded as recoverable, that is, when it is considered more likely than not that there will be sufficient, suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

k) Operating leases

The rental costs relating to operating leases are charged to the profit and loss account on a straight line basis over the life of the lease

l) Unexpired risks provision

Provision is made for any deficiencies arising when unearned premiums, net of associated acquisition costs, are insufficient to meet expected claims and expenses after taking into account future investment return on the investments supporting the unearned premiums provision and unexpired risks provision The expected claims are calculated having regard to events that have occurred prior to the balance sheet date

Unexpired risk surpluses and deficits are offset where business classes are managed together and a provision is made if an aggregate deficit arises

Notes to the Financial Statements

1 *Accounting policies (continued)*

m) Share based payments

An expense is recognised in respect of employee services received in share based payment transactions The expense is a measure of the fair value of services received from employees, measured indirectly by reference to the fair value of the equity instruments granted The expense is recognised over the vesting period as the services are received

The relevant company is recharged its share of the expense by Swiss Re Services Limited

The full disclosures required by FRS 20 are given in the accounts of Swiss Re Services Limited

n) Portfolio transfers

Profits and losses on portfolio transfers in by the Company are calculated on a net basis and reflected in Other Income in the non technical account Liabilities and assets received from portfolio transfers are subsequently recorded and valued in the balance sheet in accordance with the accounting policies of the company

2. Segmental information for general business

a) Analysis by class

	Fire and other damage to property 2007 £'m	Third party liability 2007 £'m	Marine, Aviation and Transport 2007 £'m	Miscellan -eous 2007 £'m	Re - insurance acceptance 2007 £'m	Total 2007 £'m
Gross premiums written	**1 2**	**1 0**	**28 0**	**0 5**	**337 5**	**368 2**
Gross premiums earned	2 9	4 2	34 3	0 9	360 1	402 4
Gross claims incurred	(1 6)	(22 6)	(18 6)	(1 8)	(118 7)	(163 3)
Gross operating expenses	(0 6)	(0 6)	(7 1)	(0 2)	(107 4)	(115 9)
Gross balance	**0 7**	**(19 0)**	**8 6**	**(1 1)**	**134 0**	**123 2**
Reinsurance balance	(0 2)	22 9	(4 8)	1 4	(125 9)	(106 6)
Net balance	**0 5**	**3 9**	**3 8**	**0 3**	**8 1**	**16 6**
Allocated investment return	-	0 2	0 4	-	5 8	6 4
Balance on the technical account	**0 5**	**4 1**	**4 2**	**0 3**	**13 9**	**23 0**

All of the above amounts derive from discontinued activities

	Fire and other damage to property 2006 £'m	Third party liability 2006 £'m	Marine, Aviation and Transport 2006 £'m	Miscellan -eous 2006 £'m	Re - insurance acceptance 2006 £'m	Total 2006 £'m
Gross premiums written	**2 3**	**6 3**	**21 5**	**0 9**	**439 5**	**470 5**
Gross premiums earned	2 3	5 0	13 0	0 7	379 2	400 2
Gross claims incurred	(1 5)	(7 1)	(9 5)	0 2	(117 2)	(135 1)
Gross operating expenses	(0 4)	(0 8)	(3 0)	(0 1)	(106 7)	(111 0)
Gross balance	**0 4**	**(2 9)**	**0 5**	**0 8**	**155 3**	**154 1**
Reinsurance balance	(0 4)	2 9	(1 5)	(0 8)	(159 9)	(159 7)
Net balance	-	-	**(1 0)**	-	**(4 6)**	**(5 6)**
Allocated investment return	-	-	-	-	6 7	6 7
Balance on the technical account	-	-	**(1 0)**	-	**2 1**	**1 1**

All of the above amounts derive from discontinued activities

Notes to the Financial Statements

2 *Segmental information for general business (continued)*

b) Gross premiums written by geographic area

	2007 £'m	2006 £'m
United Kingdom	192 7	261 6
USA	3 2	11 6
Europe	16 2	34 5
Rest of world	(9 8)	52 0
Marine (Insurance and Reinsurance) International	165 9	110 8
	368 2	**470 5**

The segmental analysis above represents business by destination All business results from contracts concluded in the United Kingdom

Net assets and profit cannot be practically divided between segments

3 **Net operating expenses**

	2007 £'m	2006 £'m
Acquisition costs	46 4	84 9
Change in deferred acquisition expenses	11 1	(14 2)
Administrative costs	59 4	40 0
Gross operating expenses	**115 9**	**110 7**
Reinsurance commissions and profit participation	(105 3)	(95 9)
Net operating expenses	**10 6**	**14 8**

4 **Prior years' claim provisions for general business**

Over/(under) provisions in general business net claims provisions at the beginning of the year by comparison to payments and provisions at the end of the year were

	2007 £'m	2006 £'m
Property reinsurance	2 9	(0 4)
Casualty reinsurance	(6 5)	1 6
Marine reinsurance	0 5	(2 8)
	(3 1)	**(1 6)**

5 Investment return summary

	Non technical account 2007 £'m	Restated Non technical account 2006 £'m
Investment income		
Income from investments	26 6	30 7
Gains on the realisation of investments	-	0 5
Gain on sale of subsidiary	47 5	-
	74 1	**31 2**
Investment expenses and charges		
Investment management expenses	(0 5)	(0 6)
Losses on the realisation of investments	(23 8)	(31 3)
	(24.3)	**(31 9)**
Unrealised gains on investments	**19 9**	**14 6**
Total investment return	**69 7**	**13 9**
Analysed by		
Allocated investment return transferred to the general business technical account	6 4	6 7
Investment return in non technical account	63 3	7 2
	69 7	**13 9**

A transfer has been made from the non technical account to the general business technical account in order to reflect allocated investment income The calculation of allocated investment return has been based on the actual return on those assets which are attributable to general business technical provisions, and related shareholder's funds The amount allocated to the general business technical account has been restated due to prior year misallocation This has no impact on profit or the shareholder's funds of the Company

The gain on sale of subsidiary arises from the sale of Swiss Re International SE to Swiss Re GB Plc as described in the Directors' report The gain recognised in the profit or loss account represents the movement in the net asset value from 1 January 2007 The remaining gain of £62 1m from the original cost of investment has already been recognised in the revaluation reserve On disposal this gain is transferred from the revaluation reserve to retained earnings

6 Profit on ordinary activities before tax

This is stated after charging

	2007 £'m	2006 £'m
Auditors remuneration		
Audit services		
Fees payable for the audit of the company financial statements	**0 2**	**0 1**
Non – audit services		
Other services pursuant to legislation, including the audit of the regulatory return	**0 1**	**0 1**

All administration, staff and pension costs, including audit fees, have been incurred by Swiss Re Services Limited, a fellow subsidiary undertaking, and all staff have a service contract with that company Swiss Re Services Limited has made a management charge to the Company for its share of these costs

Notes to the Financial Statements

7 Directors' emoluments

	2007 £'000	2006 £'000
Aggregate emoluments	875 4	415 4

Highest Paid Director

The emoluments of the highest paid Director were £557,461 (2006 £295,889) The current and previous year's figures include payments in respect of the Swiss Re Group's international assignment package Retirement benefits accruing under a defined benefit pension scheme as at 31 December 2007 were £7,077 (2006 £3,878)

One director was in receipt of a loan amounting to £884 (2006 £1,325)

One other Director received emoluments for their services and undertakings on behalf of this Company

8 Taxation

	Non technical account 2007 £'m	Non technical account 2006 £'m
UK corporation tax at 30% (2006 30%)		
Current tax on income for the year	-	-
Adjustment in respect of prior years	(4 9)	0 6
Current tax (credit)/charge for the period	**(4 9)**	**0 6**
Deferred tax origination and reversal of timing differences	0 2	36 4
Adjustment in respect of prior years	(2 9)	-
Tax (credit)/charge on profit on ordinary activities	**(7 6)**	**37 0**

Factors affecting the tax credit for the period

The tax credit for the year is higher than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £'m	2006 £'m
Non-technical account		
Profit on ordinary activities before tax	**75 2**	**73 3**
Profit on ordinary activities multiplied by standard rate of corporate tax in the UK of 30% (2006 30%)	22 6	22 0
Non Taxable income	(0 1)	(0 1)
Adjustment to technical liabilities disclaimed under S107 FA 2000	(8 1)	-
Imputed interest benefit arising from S107 FA 2000 reserves	-	1 9
Realised gain on disposal of subsidiary undertakings	(14 2)	-
Unrealised loss on equities at 31 December 2001 (spread over 6 years)	(0 1)	(0 1)
Gain arising on transfer of business	-	(19 3)
Adjustments to tax charges in respect of previous periods	(4 9)	0 6
Short term timing differences	(0 1)	(4 4)
Current tax (credit)/charge for the period	**(4 9)**	**0 6**

Notes to the Financial Statements

9 Other income and charges

(a) Other income

	2007 £'m	2006 £'m
Other income	0 1	-
Profit on Part VII transfer	-	65 0
	0 1	**65 0**

Profit on Part VII transfer of SR Frankona Reinsurance Limited in 2006 is broken down as follows

	Transferred on 1 Sept 2006 £'m
Assets	
Investments in subsidiaries	73 8
Financial investments including cash	801 2
Reinsurers' share of technical provisions	769 2
Debtors	379 8
Accrued interest and rent	13 3
Deferred acquisition costs	24 1
Total Assets	**2,061 4**
Liabilities	
Technical provisions	1,571 1
Creditors	404 5
Deposits received from reinsurers	21 3
Total Liabilities	**1,996 9**
Profit on Part VII transfer	**64 5**
Other gains on foreign exchange	0 5
Other income	**65 0**

(b) Other charges

	2007 £'m	2006 £'m
Loss on foreign exchange	**(11 2)**	-

Notes to the Financial Statements

10 Investments in group undertakings and participating interests

	Net Asset Value 2007 £'m	Cost 2007 £'m	Net Asset Value 2006 £'m	Cost 2006 £'m
At 1 January	**282 9**	**206 3**	**166 5**	**132 5**
Transfers in the year	-	-	73 8	73 8
Revaluations of subsidiary undertakings	49 2	-	42 6	-
Disposal of subsidiary undertakings	(234 7)	(125 0)	-	-
At 31 December	**97 4**	**81 3**	**282.9**	**206 3**

Disposal of subsidiary undertakings arises from the sale of Swiss Re International SE This is discussed in more detail in note 5 The subsidiaries which remained at 31 December 2007 were transferred at their net asset value to Swiss Re Europe S A under the Part VII transfer scheme This is discussed in more detail in the Business Review

11 Other financial investments

	Market value 2007 £'m	Cost 2007 £'m	Market value 2006 £'m	Cost 2006 £'m
Shares and other variable-yield securities	50 0	50 0	17 2*	17 2*
Debt securities and other fixed income securities	451 1	447 5	383 5	414 5
Deposits with credit institutions	69 3	57 7	56 9	56 2
	570 4	**555 2**	**457 6**	**487 9**
Included in the above were investments				
Listed on the UK Stock Exchange	152 9		351 2	
Listed on overseas Stock Exchanges	348 2		49 5	
	501 1		**400 7**	

As at 31 December 2007 investments with a market value of £20 6 million were deposited as security for future liabilities on reinsurance contracts for statutory and other purposes (2006 £218 7 million) 2006 comparatives have been restated to disclose variable yield securities separately

12 Deposits with ceding undertakings

	2007 £'m	2006 £'m
Non group undertakings	**22 8**	**28 1**

13 Debtors arising out of reinsurance operations

	2007 £'m	2006 £'m
Group undertakings	-	74 1
Non group undertakings	341 1	398 2
	341 1	**472 3**

14 Deferred taxation

	2007 £'m	2006 £'m
At 1 January	**0 4**	**0 4**
Balances transferred	-	36 4
Movement in the year	2 7	(36 4)
At 31 December	**3 1**	**0 4**

The asset recognised for deferred tax in the financial statements is as follows

	2007 £'m	2006 £'m
Asset recognised in the balance sheet		
Accelerated capital allowances	0 2	0 3
Unrealised losses carry forward	2 9	-
Unrealised losses on equity investments	-	0 1
	3 1	**0 4**

In accordance with the provisions of FRS 19 "Deferred tax" full provision has been made for deferred tax on assets and liabilities arising on timing differences Deferred tax balances have not been discounted, as permitted by FRS 19

15 Other debtors

	2007 £'m	2006 £'m
Group undertakings	237 1	1 5
Taxation recoverable	2 7	9 5
Other debtors	25 2	30 7
	265 0	**41 7**

16 Share capital

	2007 £'m	2006 £'m
Authorised		
625,000,000 £1 Ordinary shares	625 0	625 0
25,000,000 £1 7% Cumulative preference shares	25 0	25 0
	650 0	**650 0**
Allotted, called up and fully paid		
Equity shares		
449,000,000 £1 Ordinary shares fully paid	449 0	449 0
25,000,000 £1 7% Cumulative preference shares fully paid	25 0	25 0
	474 0	**474 0**

7% cumulative preference shares

Shareholders are entitled to receive dividends at 7% per annum on the par value of these shares on a cumulative basis, at the discretion of the Company's Directors Arrears from 16 August 2000 to 31 December 2007 amount to £13 0 million (2006 £11 2 million) The 7% cumulative preference shares, are non redeemable On winding up, the preference shareholders rank above ordinary shareholders and are entitled to receive £1 per share and any dividends unpaid in respect of their shares

For changes to share capital post year end, refer to Post Balance Sheet Event note 26

17 Reserves

	Profit and loss account £'m	Revaluation reserve £'m
At 1 January 2007	**(119 3)**	**76 6**
Retained profit in the year	82 8	-
Revaluations in the year	-	1 6
Disposal in the year	62 1	(62 1)
At 31 December 2007	**25 6**	**16 1**

Disposal in the year arises from the sale of Swiss Re International SE This is discussed in more detail in note 5

18 Reconciliation of movements in shareholder's funds

	2007 £'m	2006 £'m
At 1 January	**431 3**	**352 4**
Profit for the financial year	82 8	36 3
Revaluation of subsidiaries	1 6	42 6
Net addition to shareholder's funds	**84 4**	**78 9**
At 31 December	**515 7**	**431 3**

19 Claims outstanding

	Provision for unearned premiums 2007 £'m	Claims outstanding 2007 £'m	Total 2007 £'m
Gross amount			
At 1 January	**199 8**	**2,452 3**	**2,652 1**
Exchange	(2 8)	13 2	10 4
Movement in provision	(37 7)	(386 9)	(424 6)
At 31 December	**159 3**	**2,078 6**	**2,237 9**
Reinsurance amount			
At 1 January	**174 1**	**2,223 7**	**2,397 8**
Exchange	(3 5)	2 7	(0 8)
Movement in provision	(29 4)	(353 0)	(382 4)
At 31 December	**141 2**	**1,873 4**	**2,014 6**
Net			
At 31 December	**18 1**	**205 2**	**223 3**
At 1 January	**25 7**	**228 6**	**254 3**

The Company purchased additional reinsurance during 2006 from its ultimate parent company in respect of the claims liabilities it assumed from the Part VII transfer of SR Frankona Reinsurance Limited in 2006, and also of the outstanding claims of the Company as at 2005 year end As a result, in 2006 the Company incurred additional reinsurance costs of £659m from the Part VII transfer and £397m for the additional reinsurance of outstanding claims These amounts are included in outwards reinsurance premiums of £1,493 4m and corresponding amounts are reflected in the movement in reinsurers share of technical provisions above

Notes to the Financial Statements

20 Provisions for other risks and charges

Guarantees have been given by the Company in favour of The Prudential Assurance Company Limited and the Royal Bank of Scotland (Industrial Leasing) Limited in respect of the leases granted to Market Building Limited A loss pursuant to the granting of these guarantees has arisen There was a provision of £2 7 million at the beginning of the year Of this, £0 5 million was utilised during the year leaving a balance of £2 2 million at the end of the year

A guarantee has been given by the former members of the Institute of London Underwriters to enable it to meet future operating expenses arising from existing commitments The Company's obligation under this guarantee, as a former member, was recognised as a provision of £0 5 million at the beginning of the year No amount was utilised during the year leaving a balance of £0 5 million at the end of the year

There was a restructuring provision of £1 7 million at the beginning of the year in respect of the prior Part VII transfer Of this, £1 5 million was utilised during the year leaving a balance of £0 2 million at the end of the year

21 Creditors arising out of reinsurance operations

	2007 £'m	2006 £'m
Group undertakings	420 4	313 7
Non group undertakings	85 0	320 2
	505 4	**633 9**

22 Other creditors including taxation and social security

	2007 £'m	2006 £'m
Group undertakings	66 1	72 1
Non group undertakings	12 3	1 6
	78 4	**73 7**

23 Capital and other financial commitments

There were no capital and other financial commitments outstanding as at 31 December 2007 (2006 £ nil)

24 Share based payments

The Swiss Re GB Plc Group maintains five share based payment arrangements These are

1 Save as You Earn Employee Participation Plan (SAYE EPP)
2 Supplementary Plan
3 Employee Stock Option Plan
4 Restricted Share Plan
5 Bonus Share Plan

The plans have been described in detail in the accounts of Swiss Re Services Limited, a fellow subsidiary company and the principal employer

The full disclosures required by FRS 20 are given in the accounts of Swiss Re Services Limited

Notes to the Financial Statements

25. Pensions and other post-retirement benefits

The Swiss Re GB Pension scheme is a hybrid scheme with defined benefit and defined contribution benefits Pension contributions are borne by Swiss Re Services Limited and recharged through the management charge to the operating companies All other pension costs are borne by Swiss Re Services Limited

The Company is unable to identify its share of the defined benefit assets and liabilities and has therefore adopted the exemption provided in Financial Reporting Standard 17, Retirement Benefits (FRS 17), which allows it to be accounted for as a defined contribution scheme

The Company's contributions to the Scheme paid by Swiss Re Services Limited, in respect of defined benefits, amounted to £5 3 million (2006 £3 8 million) This comprised the regular contribution cost and its share of the total amount payable into the Scheme in order to reduce the deficit to zero over the next six years (2006 seven) The regular contribution cost amounted to £3 3 million (2006 £2 2 million) and the reduction of the deficit £2 0 million (2006 £1 6 million)

The pension cost for the defined contribution part of the scheme, which represents contributions recharged to the Company, is £3 5 million (2006 £0 4 million) No amount payable was outstanding as at 31 December 2007 (2006 £nil) in respect of these contributions

The full disclosures as required by FRS 17 are provided in the accounts of Swiss Re Services Limited

26 Post balance sheet events

As noted in the Directors' Report, the business and assets of the Company were transferred to Swiss Re Europe S A in accordance with Part VII of the Financial Services and Markets Act 2000 on 1 January 2008

The identifiable assets and liabilities transferred were as follows

	£'m
Assets	
Investments	418 3
Reinsurers' share of technical provisions	2,039 8
Debtors	395 8
Other assets	13 9
Prepayments and accrued income	28 5
Total Assets	**2,896 3**
Liabilities	
Technical provisions	2,265 9
Provision for risks & charges	2 9
Deposits received from reinsurers	4 3
Creditors	590 7
Accruals and deferred income	23 7
Total Liabilities	**2 887 5**
(Loss) on Part VII transfer	**(8 8)**

An excess of assets over liabilities was transferred to the take into account assets not admissible under FSA valuation rules

A reduction of the capital of the Company was confirmed by the High Court of Justice on 5 December 2007 and an appropriate certificate in respect of the reduction was issued by the Registrar of Companies on 2 January 2008 The authorised share capital of the Company was reduced to £176 0m and Issued share capital was reduced to £2 The 7% cumulative preference share capital of £25 0m plus accrued dividends of £13 0m was repaid to Swiss Reinsurance Company and ordinary share capital of £ 387 0m was repaid to Swiss Re GB Plc on 2 January 2008

Notes to the Financial Statements

27 Subsidiary undertakings

The whole of the ordinary share capital of the following companies was held as at 31 December 2007

Subsidiary undertakings	Activity
Swiss Re Specialty Insurance (UK) Limited	In run off
Palatine Insurance Company Limited	In run off
RGB LM Holdings Ltd	Investment Holding
RGB LM I Ltd	Corporate underwriting member of Lloyd's (In run off)
RGB LM II Ltd	Corporate underwriting member of Lloyd's (In run off)
Swiss Re Frankona LM Limited	Corporate underwriting member of Lloyd's (In run off)
ERC Frankona Reinsurance (III) Limited	Non trading

The above companies are registered in England and Wales All subsidiaries were transferred on 1 January 2008 under the Part VII transfer scheme

28 Immediate and ultimate parent company

The Company's immediate parent company is Swiss Re GB Plc, registered in England

The parent undertaking of the largest group of undertakings for which Group consolidated accounts are drawn up and the ultimate parent company is Swiss Reinsurance Company, registered in Switzerland Its accounts may be obtained by applying to the Company Secretary of Swiss Reinsurance Company at the following address

Mythenquai 50/60
P O Box 8022
Zurich
Switzerland