

Registered in England number 2515130

**BANKERS INSURANCE SERVICE
COMPANY LIMITED**

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

31 DECEMBER 2006

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BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

COMPANY INFORMATION

Directors	S Gvero I Moffatt S K Phillips	(Finance Director) (Chief Executive Officer) (Chairman)
Company Secretary	T A Canthie	
Registered Office	117 – 119 Whitby Road Slough SL1 3DR	
Registered Number	2515130	
Auditors	PricewaterhouseCoopers LLP Southwark Towers 32 London Bridge Street London SE1 9SY	
Solicitors	Eversheds 85 Queen Victoria Street London EC4V 4JL	
Bankers	Lloyds TSB Commercial Lloyds TSB Bank Plc 1 – 2 Market Place Reading Berkshire RG1 2EQ	

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

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BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2006

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of office space, personnel, administration, accounting and computing services to other group undertakings

REVIEW OF THE BUSINESS

The results for the year ended 31 December 2006 and the state of the Company's affairs at that date are set out in the financial statements on pages 8 to 23. The profit after tax for the year was £226,000 (2005 restated £108,000)

During the year, the Company adopted FRS 20 'Share based payment' which resulted in a prior period adjustment as described in note 1(b) to the financial statements

The Company provides administration services to fellow subsidiary undertakings, Bankers Insurance Company Limited and Bankers Life Assurance Company Limited, on a cost-plus basis

FUTURE OUTLOOK

In addition to providing services to the insurance companies within Assurant Group Limited, the Company will begin to provide services to the branches of the two insurance companies in Germany and Italy, as well as providing support in key functions to associated group undertakings of Assurant, Inc, in those countries. As these services progress over the future, the current cost-plus charging methodology will need to be reviewed. This will result in the Company taking a greater level of expense risk on, removing this risk from the insurance companies in the group.

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance, actuarial and finance departments take on an important oversight role in this regard. The Audit Committee is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

The principal risk facing the Company arises from unanticipated expenses.

KEY PERFORMANCE INDICATORS

Given the straight forward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

REPORT OF THE DIRECTORS (CONTINUED)

DIVIDENDS

No interim dividend was paid during the year (2005 £1,350,000) The retained profit for the year was £226,000 (2005 restated loss of £1,242,000), which has been taken to reserves The directors do not recommend the payment of a final dividend

DIRECTORS AND THEIR INTERESTS

The directors set out below have held office during the whole of the period from 1 January 2006 to the date of this report unless otherwise stated

M C Byron	(Resigned 31 December 2006)
D J le Fleming	(Resigned 11 September 2006)
S Gvero	
S C Lemasters	(Resigned 20 March 2006)
I Moffatt	
S K Phillips	

No directors held any interest in the shares of the Company throughout the period 1 January 2006 to 31 December 2006

The interests of the directors in the shares of Assurant, Inc , the ultimate parent company, were as follows

	Ordinary shares of US \$ 0 01	
	31 December 2006	1 January 2006 or appointment date
S Gvero	247	161
I Moffatt	-	390
S K Phillips	1,122	757

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

REPORT OF THE DIRECTORS (CONTINUED)

CHARITABLE AND POLITICAL DONATIONS

During the year, the Company made donations totalling £23,832 (2005 £28,237) to the following charitable causes

	2006	2005
	£	£
Slough Homeless Our Concern	12,500	15,000
Home Start Mission	7,645	7,000
Thames Valley Adventure Playground	2,000	2,000
Medical charities	279	1,985
Natural disaster appeals	701	748
National appeals	-	746
Other small donations less than £200 each	707	758
	<hr/>	<hr/>
Total	23,832	28,237
	<hr/>	<hr/>

No donations were made for political purposes

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

- 1) so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2006 of which the auditors are unaware, and
- 2) the director has taken all steps that he/she ought to have taken in his/her duty as director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

The Company has elected, in accordance with Section 379A of the Companies Act 1985, to dispense with the obligation to appoint auditors annually PricewaterhouseCoopers LLP have indicated their willingness to remain in office

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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

The directors are responsible for keeping proper accounting records which 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

By Order of the Board

S Gvero
Finance Director
28 March 2007



BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
BANKERS INSURANCE SERVICE COMPANY LIMITED**

We have audited the financial statements of Bankers Insurance Service Company Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet 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 member 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.

BANKERS INSURANCE SERVICE COMPANY LIMITED

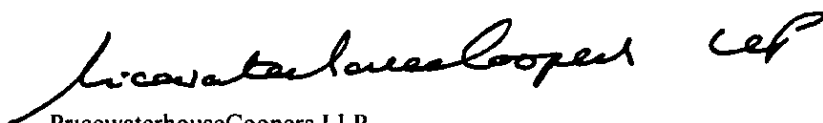
YEAR ENDED 31 DECEMBER 2006

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
BANKERS INSURANCE SERVICE COMPANY LIMITED (CONTINUED)**

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 2006 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
Chartered Accountants and Registered Auditors
London, United Kingdom
30 March 2007

BANKERS INSURANCE SERVICE COMPANY LIMITED**YEAR ENDED 31 DECEMBER 2006****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006**

		2006	2005
		£000	(restated)
	<i>Notes</i>		£000
Turnover		9,007	6,693
Administrative expenses		(8,610)	(6,457)
Profit on ordinary activities before tax	2	397	236
Tax on profit on ordinary activities	5	(171)	(128)
Profit for the year		226	108

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2006	2005
		£000	(restated)
	<i>Notes</i>		£000
Profit for the year		226	108
Prior year adjustment in respect of the adoption of FRS 20 'Share Based Payment		(83)	
Total gains and losses recognised since last annual report		143	

All amounts in the profit and loss account relate to continuing operations

As there are no material differences between the results as described in the profit and loss account above and the results on a historic cost basis, no note of historical cost profits and losses for the year is given

The notes on pages 10 to 23 form an integral part of these financial statements

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

BALANCE SHEET

	NOTES	2006 £000	2005 (restated) £000
FIXED ASSETS			
Tangible fixed assets	7	366	260
CURRENT ASSETS			
Debtors amounts falling due within one year	8	1,838	1,006
Cash at bank and in hand		-	1
		1,838	1,007
CREDITORS amounts falling due within one year	9	(1,592)	(892)
NET CURRENT ASSETS		246	115
TOTAL ASSETS LESS CURRENT LIABILITIES		612	375
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	611	374
Total shareholder's funds	12	612	375

The financial statements on pages 8 to 23 were approved by the Board of Directors on 28 March 2007 and are signed on their behalf by



S Gvero, Finance Director

The notes on pages 10 to 23 form an integral part of these financial statements

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards

a) Basis of Accounting

The financial statements are prepared under the historical cost convention

b) Changes in accounting policy

The Company has adopted FRS 20 'Share-based payment' in these financial statements. The effect of adopting this accounting standard has been

- an increase to administrative expenses of £11,000 (2005 £83,000) as a result of including the cost of share schemes operated by the Company,
- an increase in the profit and loss reserve of £11,000 (2005 £83,000) in respect of obligations under share schemes satisfied by the ultimate parent undertaking, Assurant, Inc, and
- there was no impact on the balance sheet

c) Turnover

Turnover represents the amounts charged, excluding value added tax, in respect of supplies of services to clients. All turnover related to work carried out in the United Kingdom

d) Investment Income

Investment income is accounted for on the accruals basis

e) Taxation

Corporation tax is provided at the current rate of taxation on the result for the year as adjusted for items of income and expenditure which are disallowable for taxation purposes

f) Deferred Taxation

Provision is made for deferred tax liabilities using the liability method on all material timing differences. Deferred tax is calculated at the rates at which it is expected that the tax will arise. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

g) Fixed Assets

Expenditure above a de minimis amount on office furniture, equipment, fixtures and fittings and computer hardware is capitalised

Expenditure on software and software development is capitalised if it exceeds, or the project is expected to exceed, 500,000 US dollars. Software development costs are deferred until systems are brought into use.

Depreciation is provided on a straight-line basis over the estimated useful life of the asset

Office Furniture & Equipment	5 years
Fixtures and Fittings	5 years or life of lease
Computer Hardware and Software	3 years

h) Leasing

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term

i) Pension Fund

The Company operates a portable defined contribution pension scheme, the assets of which are invested in a managed fund and are completely separate from the assets and business of the Company. The scheme is funded partly by its members and partly by the Company at a rate established by the Company. The Company contributions are expensed and paid in the period in which they are incurred.

j) Cash Flow Statement

As the Company is a wholly owned undertaking, it has taken advantage of the exemption granted under Financial Reporting Standard 1 (Revised) ("Cash Flow Statements"), and a cash flow statement has not been prepared. The results of the Company are consolidated in the financial statements of the ultimate parent undertaking, as discussed in note 14, which are publicly available.

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 OPERATING PROFIT

Profit on ordinary activities before tax is stated after charging

	2006	2005
	£000	(restated)
		£000
Staff costs (see note 3)	4,768	3,466
Auditors' remuneration		
Audit fees	195	179
Operating lease rentals – Other operating leases	300	300
Depreciation	131	215

The Company has paid and recharged the audit fees and expenses for all companies in the UK group

3 STAFF COSTS

	2006	2005
	£000	(restated)
		£000
Wages and Salaries	4,077	2,819
Social Security	435	403
Pension Costs	238	166
Share based payments	18	78
	<u>4,768</u>	<u>3,466</u>

The average monthly number of persons (including executive directors) employed by the Company during the year was as follows

By Department

	2006	2005
	Number	Number
Executive & Finance	33	27
Information Services	7	6
Marketing	12	8
Operations	35	35
	<u>87</u>	<u>76</u>

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 STAFF COSTS (CONTINUED)

Share based payments

Employee Stock Purchase Plan (ESPP)

The Company provides an Employee Stock Purchase Plan to all employees. This allows employees of the Company to purchase shares in the ultimate parent company, Assurant, Inc.

The ESPP operates under the following rules:

Contribution periods

Each calendar year there are two six-month offering periods (1 January to 30 June and 1 July to 31 December).

Contribution/saving rules

For each pay period, an employee of the Company can contribute between 1% and 15% of base salary toward the purchase of Assurant, Inc. stock. The maximum contribution amount is US \$7,500 per offering period, for a total of US \$15,000 per year. The maximum number of shares that can be purchased in any one offering period is 5,000. Contributions are deducted from pay on a post-tax basis.

Purchase price

The purchase price of the shares will be 90% of the lower of:

- The closing price of Assurant, Inc. stock on the offering date – the first day of trading of the offering period, and
- The closing price of Assurant, Inc. stock on the purchase date – the last day of trading of the offering period.

Other

The employee must be employed by the Company on the last day of the offering period in order to purchase Assurant, Inc. stock under the ESPP.

The following shares were purchased under the ESPP during the year:

Contribution Period	Shares purchased during the period
1 Jan 2006 - 30 Jun 2006	744 70
1 Jul 2006 - 31 Dec 2006	720 88
Total	1,465 58

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 STAFF COSTS (CONTINUED)

The purchase price and market value for the shares purchased during the year were

Contribution Period	Purchase price £	Share price at purchase £
1 Jan 2006 - 30 Jun 2006	21 84	26 65
1 Jul 2006 - 31 Dec 2006	22 21	28 20

The Company incurs the cost of the Employee Share Savings Plan for UK based employees only. At the 31 December 2006, the charge to the Company for the ESPP was £12,000 (2005 £12,000). Total outstanding savings at the year end were £Nil (2005 £Nil).

The Company does not incur any costs in respect of the of running the plan. All costs are borne by the parent company.

The Business Value Rights (BVR) Plan

The Company provides a Business Value Rights (BVR) plan to directors of the Company to share in the Group's success and the value created over the long term. Details of share options granted and issued under this scheme to directors of the Company are shown in note 4.

BANKERS INSURANCE SERVICE COMPANY LIMITED**YEAR ENDED 31 DECEMBER 2006****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4 DIRECTORS' EMOLUMENTS**

	2006	2005
	£000	(restated)
		£000
Emoluments paid to directors	533	574
Pension Contributions	43	30
Compensation for loss of office	196	-
Long term incentive schemes	6	66
	<u>778</u>	<u>670</u>

The emoluments of directors disclosed above include amounts attributable to the highest paid director in each year of

	2006	2005
	£000	£000
Emoluments	172	216
Pensions Contributions	13	13

The number of directors to whom retirement benefits are accruing under the portable defined contribution pension scheme during the year was 4 (2005 3)

The number of directors to who exercised share options in the year was 4 (2005 4) Details of the share options granted to directors are disclosed in note 3

The number of directors whom have become entitled to receive shares under long-term incentive schemes in the year was 4 (2005 4)

In addition to the emoluments of directors disclosed above, amounts were paid to directors of group companies, Bankers Insurance Company Limited and Bankers Life Assurance Company Limited, and recharged through the management fee, in each year of

	2006	2005
	£000	£000
Emoluments paid to other group directors	<u>22</u>	<u>-</u>

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 DIRECTORS' EMOLUMENTS (CONTINUED)

The directors receive share options in the ultimate parent undertaking, Assurant, Inc. The costs of these share options are borne by the subsidiary undertaking, Bankers Insurance Service Company Limited. Full description of these share schemes is provided in note 3 to the financial statements of Bankers Insurance Service Company Limited.

During the year, the following movements in options were made relating to the directors of the Company:

Employee Share Savings Plan (ESPP)

Details of the scheme are shown in note 3.

The following shares were purchased under the ESPP during the year:

Contribution Period	Shares purchased during the period
1 Jan 2006 - 30 Jun 2006	411 21
1 Jul 2006 - 31 Dec 2006	252 00
Total	663 21

The purchase price and market value for the shares purchased during the year were:

Contribution Period	Purchase price £	Share price at purchase £
1 Jan 2006 - 30 Jun 2006	21 84	26 65
1 Jul 2006 - 31 Dec 2006	22 21	28 20

The Business Value Rights (BVR) Plan

The Company provides a Business Value Rights (BVR) plan to directors of the Company to share in the Group's success and the value created over the long term. Rights are granted to employees within the plan to provide shares in Assurant, Inc. for the growth in the share price over the vesting period.

The BVR operates under the following rules:

Rights

Rights are granted to key executives based on an individual's performance, their role in and contributions to the organisation and overall compensation level. The rights entitle the employee to receive in shares the growth of the Assurant, Inc. share price at the end of the vesting period.

BANKERS INSURANCE SERVICE COMPANY LIMITED**YEAR ENDED 31 DECEMBER 2006****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4 DIRECTORS' EMOLUMENTS (CONTINUED)****Strike price / Purchase price**

The strike price will be the closing price on the last day of trading prior to the grant. The final price will be the closing price of Assurant, Inc. stock on the last trading day prior to exercise, or, in the event of death, disability or retirement, the last trading day prior to separation from service.

Vesting period

The rights do not vest with the employee until three years after the date of grant. BVR rights are automatically exercised on the third anniversary.

Proceeds

The value of the BVR award after exercise will be the difference in the final price and the strike price, multiplied by the rights for the vesting period. The award will be delivered to participants in shares of Assurant, Inc., net of income taxes.

Other

If there is a change in control of the Company, the rights are automatically vested. Participants who resign or who have their contract of employment terminated forfeit their rights.

The following Business Value Rights were granted and satisfied during the year:

Vesting Period	Outstanding at the beginning of the period	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at the end of the period	Strike price US \$	Purchase price US \$
2003	4,244.72	-	4,244.72	-	-	\$25.08	\$47.70
2004	4,892.22	-	-	4,892.22	-	\$26.56	
2005	13,270.00	-	-	8,420.00	4,850.00	\$35.64	
2006	-	11,550.00	-	7,100.00	4,450.00	\$49.25	
Total	22,406.94	11,550.00	4,244.72	20,412.22	9,300.00		

The costs of running the plan are borne by the ultimate parent company, Assurant, Inc.

The Company incurs the cost of the Business Value Rights for UK based employees only. At the 31 December 2006, the charge to the Company for the BVR was £6,000 (2005: charge of £66,000). Total outstanding rights outstanding at the year end were £28,000 (2005: £80,000).

The number of directors to whom exercised share options in the year was 4 (2005: 4).

The number of directors whom have become entitled to receive shares under long-term incentive schemes in the year was 4 (2005: 4).

BANKERS INSURANCE SERVICE COMPANY LIMITED**YEAR ENDED 31 DECEMBER 2006****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****5 TAXATION****a) Analysis of charge for the period**

	2006	2005 (restated)
	£000	£000
UK Corporation Tax at 30% (2005 30%)		
Current tax on income for the period	151	140
Adjustments in respect of prior periods	(16)	17
Total current tax	<u>135</u>	<u>157</u>
Deferred Tax		
Origination and reversal of timing differences	36	(29)
Tax on profit on ordinary activities	<u>171</u>	<u>128</u>

b) Factors affecting the tax charge for the period

The tax assessed for the period is higher (2005 higher) than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2006	2005 (restated)
	£000	£000
Profit on activities before tax	<u>397</u>	<u>236</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	119	71
Effects of		
Non deductible expenses	39	29
Accelerated capital allowances and other timing differences	(16)	15
Adjustment to tax charge in respect of prior periods	(16)	17
Prior year adjustment	-	25
Other adjustments	9	-
Current tax charge for the period	<u>135</u>	<u>157</u>

BANKERS INSURANCE SERVICE COMPANY LIMITED**YEAR ENDED 31 DECEMBER 2006****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6 DIVIDENDS**

No interim dividend was declared in the year (2005 £1,350,000)

7 FIXED ASSETS

	Office Equipment	Fixtures & Fittings	Furniture	Computer Hardware & Software	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2006	105	612	188	695	1,600
Additions	-	116	51	70	237
Disposals	-	(20)	-	(97)	(117)
At 31 December 2006	105	708	239	668	1,720
Accumulated depreciation					
At 1 January 2006	101	464	154	621	1,340
Charge for the year	2	57	17	55	131
Eliminations in respect of disposals	-	(20)	-	(97)	(117)
At 31 December 2006	103	501	171	579	1,354
Net book value					
At 31 December 2006	2	207	68	89	366
At 31 December 2005	4	148	34	74	260

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£000	£000
Amounts owed by group undertakings	1,427	577
Other debtors	22	24
Prepayments and accrued income	224	204
Deferred Taxation (see below)	165	201
	<u>1,838</u>	<u>1,006</u>

A deferred tax asset of £165,000 (2005 £201,000) has been recognised in respect of accelerated capital allowances and other timing differences on the basis that future taxable profits are expected

	At 1 January	Movement in	At 31 December
	£000	year	£000
		£000	
Movement on Deferred Taxation	201	(36)	165
Total	<u>201</u>	<u>(36)</u>	<u>165</u>

	2006	2005
	£000	£000
Analysis of deferred taxation balances at 31 December		
Accelerated capital allowances	97	129
Other timing differences	68	72
Undiscounted provision for deferred tax as above	<u>165</u>	<u>201</u>

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£000	£000
Bank loans and overdrafts	25	-
Amounts owed to group undertakings	2	5
Other creditors including taxation and social security	334	236
Accruals and deferred income	1,231	651
	<u>1,592</u>	<u>892</u>

10 OBLIGATIONS UNDER OPERATING LEASES

Annual commitments in respect of non-cancellable operating leases are as follows

	2006	2005
	Land & Buildings	Land & buildings
	£000	£000
Operating leases which expire		
Within one year	-	-
Between one and five years	-	-
After five years	300	300
	<u>300</u>	<u>300</u>

11 SHARE CAPITAL

The authorised, allotted, issued and fully paid share capital of the Company comprises £1,000 (2005 £1,000) in ordinary shares of £1 each

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUND

	2006			2005 (restated)
	Share Capital	Profit & Loss Account	Total	Total
	£000	£000	£000	£000
Balance at beginning of year as previously stated	1	374	375	1,534
Prior year adjustment	-	-	-	-
Balance at beginning of year as restated	1	374	375	1,534
Profit for the year	-	226	226	108
Share based payment obligations satisfied by ultimate parent undertaking	-	18	18	78
Foreign exchange (gain)/loss	-	(7)	(7)	5
Dividend	-	-	-	(1,350)
Balance at end of year	1	611	612	375

13 PENSIONS AND SIMILAR OBLIGATIONS

The charge against profit of £238,000 (2005 £166,000) is the amount of contributions payable to the defined contribution pension scheme by the Company in respect of the accounting period. There are no outstanding or prepaid contributions.

BANKERS INSURANCE SERVICE COMPANY LIMITED

YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

At the balance sheet date, the immediate parent undertaking was Bankers Insurance Company Limited, a company registered in England and Wales

On the 21 March 2007, control of the Company was transferred to Assurant Group Limited, the immediate parent undertaking of Bankers Insurance Company Limited

The ultimate parent undertaking is Assurant Inc , a publicly listed company on the New York Stock Exchange, registered in Delaware, United States of America

Copies of the above accounts can be obtained from the Company Secretary, Assurant Group Limited, 117 – 119 Whitby Road, Slough SL1 3DR

15 RELATED PARTY TRANSACTIONS

As the Company is a wholly owned undertaking it has taken advantage of the exemption granted under Financial Reporting Standard 8 (“Related Party Transactions”) whereby subsidiary undertakings do not have to disclose transactions with group undertakings qualifying as related parties provided that consolidated financial statements are made publicly available