

AA Mutual International Insurance Company Limited

AA Mutual International
Insurance Company Limited
Sole Agent for the FSA
Under FSA Licence
Act 1982

AC1459



Returns to the FSA
For the year ended 31 December 1999

Accounts and Statements pursuant to the Insurance Companies Act 1982
and the Insurance Companies (Accounts and Statements) Regulations 1996

Directors' certificate required by regulation 28 (a) of the Insurance Companies (Accounts and Statements) Regulations 1996

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Global Business

Financial Year ended 31 December 1999

We certify:

1. a) that in relation to the part of this return comprising forms 9 to 13, 15, 16, 20 to 25, 28, 29, 31, 32, and 34 required by regulations 19 to 21, 23, 24 and 26 of the Insurance Companies (Accounts and Statements) Regulations 1996:
 - i) the return has been prepared in accordance with the Regulations;
 - ii) proper accounting records have been maintained and adequate information has been obtained by the company; and
 - iii) an appropriate system of control has been established and maintained by the company over its transactions and records;
 - b) that reasonable enquiries have been made by the company for the purpose of determining whether any person and anybody corporate are connected for the purposes of regulations 19, 20 and 21 of the Insurance Companies (Accounts and Statements) Regulations 1996;
 - c) that in respect of the company's business which is not excluded by Regulation 32 of the Insurance Companies Regulations 1994, the assets held throughout the financial year enabled the company to comply with regulations 27 to 31 (matching and localisation) of those Regulations;
 2. that immediately following the end of the financial year the amount of the company's required minimum margin and the amount of the company's available assets and quantified contingent liabilities (other than those included in form 15) were as shown in form 9;
 3. a) that the systems of control established and maintained by the company in respect of its business complied at the end of the financial year with the following published guidance:
 - i) Prudential Guidance Note 1994/6 "Systems of control over the investments (and counter-party exposure) of insurance companies with particular reference to the use of derivatives";
 - ii) Prudential Guidance Note 1996/1 "Control over general business claims provisions";
- and it is reasonable to believe that those systems continued to so comply subsequently and will continue to so comply in future; and

Returns under Insurance Companies Legislation

Directors' certificate required by regulation 28 (a) of the Insurance Companies (Accounts and Statements) Regulations 1996 (continued)

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Global Business

Financial Year ended 31 December 1999

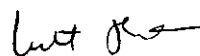
- b) that the return has been prepared in accordance with the following published guidance:
- i) Prudential Guidance Note 1995/1 "Guidance for insurance companies and auditors on the Valuation of Assets Regulations";
 - ii) Prudential Guidance Note 1995/3 "The use of derivatives in insurance funds"; and
 - iii) Prudential Guidance Note 1998/1 "The preparation of annual returns to the Insurance Directorate of HM Treasury".



EJ Kok
Director



PJ Elliott
Director



KJ Shulman
Company Secretary

7 June 2000

Returns under Insurance Company Legislation

Report of the auditors to the Directors pursuant to regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Global Business

Financial Year ended 31 December 1999

We have examined the following documents prepared by the company pursuant to section 17 of the Insurance Companies Act 1982 ("the Act") and the Insurance Companies (Accounts and Statements) Regulations 1996 ("the Regulations"):

- Forms 9 to 13, 15, 16, 20 to 25, 28, 29, 31, 32 and 34 (including the supplementary notes thereto) ("the Forms");
- the statements required by regulations 19 to 21 and 23 ("the statements"); and
- the certificate signed in accordance with regulation 28(a) ("the certificate").

In the case of the certificate our examination did not extend to paragraph 1(a) in relation to the statements required by regulations 24 and 26, concerning shareholders controllers and general business ceded.

Respective Responsibilities of the Company and its Auditors

The company is responsible for the preparation of the annual return (including the Forms, statements and certificate) under the provisions of the Act and the Regulations. Under regulation 5 the Forms and statements are required to be prepared in the manner specified by the Regulations and to state fairly the information provided on the basis required by the Regulations.

It is our responsibility to form an independent opinion as to whether the Forms and statements meet these requirements, and in the case of the certificate whether it was or was not unreasonable for the person giving the certificate to have made the statements therein, and to report our opinion to you.

Bases of Opinions

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom" issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence of the amounts and disclosures in the Forms and statements. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year on which we reported on 7 June 2000. It also included an assessment of the significant estimates and judgements made by the company and the preparation of the Forms and statements.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms and statements are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with regulation 5.

In the case of the certificate, the work performed involved a review of the procedures undertaken by the signatories to enable them to make the statements therein, and does not extend to an evaluation of the effectiveness of the company's internal control systems.

Returns under Insurance Company Legislation

Report of the auditors to the Directors pursuant to regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996 (continued)

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Global Business

Financial Year ended 31 December 1999

Fundamental Uncertainties

In forming our opinions, we have considered the adequacy of the disclosures made in the returns concerning the following matters:

a) Gross technical provisions and reinsurers' share thereof

Form 15.12.1 includes gross technical provisions for claims outstanding amounting to £1,848,000 and Form 13.61.1 includes the related reinsurers' share of such provisions amounting to £700,000. As explained in notes 1505 and 1307, the company has completed its twelfth year of run-off and accordingly the directors believe incurred claims to be effectively fully developed. Nevertheless they acknowledge that unexpected future experience may show adjustments are required to these amounts, particularly in respect of:

- i) assumptions made in estimating claims provisions and in the potential for new sources or types of claim to emerge; and
- ii) assumptions made in estimating the reinsurers' share of claims outstanding and the appropriate provision in respect of them.

b) Reinsurance creditors

Note 2408 refers to the write-back to the technical account of reinsurance creditors on the grounds that they are time-barred. Form 24.43.29 includes a credit of £340,000 in respect of such amounts written back in the year, making a total of £4,365,000 written back to the technical account over the past three years. Due to the inherent uncertainties in the legal process, it is impossible to confirm whether such treatment is appropriate unless all the creditors involved have their claims subsequently denied by the courts.

c) Amount anticipated from the liquidators of AA Mutual Insurance Association Limited

Note 1306 refers to the short-term insurance business of AA Mutual Insurance Association Limited, the company's former parent undertaking and major reinsurer, which was placed in liquidation on 24 June 1986. Notwithstanding the fact that the company's claims have been settled in full, subject to exchange movements, the liquidators have confirmed that they hold residual funds, a proportion of which is attributable to the company. Form 13.78.1 includes £6,000 and Form 13.92.1 includes a further £243,000 as being the company's attributable share of such funds. We are unable to confirm the recoverability of these amounts as the liquidators have not confirmed their distribution proposals.

In view of the possible significance of these uncertainties, we consider that they should be brought to your attention. Our opinion is not qualified in these respects.

Returns under Insurance Company Legislation

Report of the auditors to the Directors pursuant to regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996 (continued)

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Global Business

Financial Year ended 31 December 1999

Opinions

In our opinion:

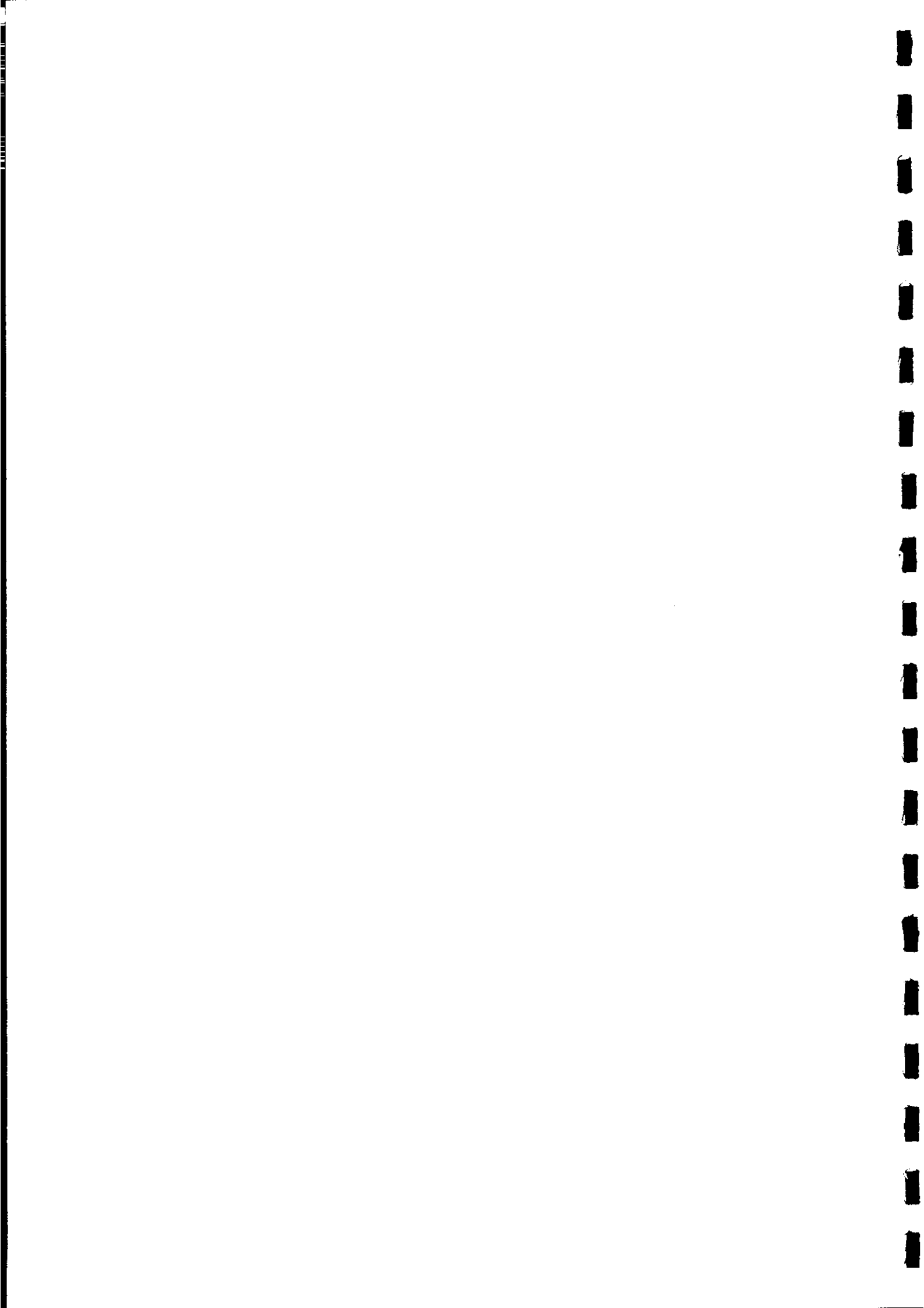
- a) the Forms and statements fairly state the information provided on the basis required by the Regulations and have been properly prepared in accordance with the provisions of those Regulations; and
- b) according to the information and explanations received by us;
 - i) the certificate has been properly prepared in accordance with the provisions of the regulations; and
 - ii) it was not unreasonable for the persons giving the certificate to have made the statements therein.

Moore Stephens

MOORE STEPHENS
Registered Auditors
Chartered Accountants

St. Paul's House
Warwick Lane
London
EC4P 4BN

7 June 2000



Statement of solvency

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

R9	1432586	GL	31	12	1999	£000
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	As at the end of this financial year	As at the end of the previous year	Source		
	1	2	Form	Line	Column

GENERAL BUSINESS**Available assets**

Other than long term business assets allocated towards general business required minimum margin	11	(581)	(4360)	See instructions 1 and 2	
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Required minimum margin

Required minimum margin for general business	12	256	282	12	49
Excess (deficiency) of available assets over the required minimum margin (11-12)	13	(837)	(4642)		

LONG TERM BUSINESS**Available assets**

Long term business admissible assets	21			10	11
Other than long term business assets allocated towards long term business required minimum margin	22			See instructions 1 and 3	
Total mathematical reserves (after distribution of surplus)	23			See instruction 4	
Other insurance and non-insurance liabilities	24			See instruction 5	
Available assets for long term business required minimum margin (21+22-23-24)	25				

Implicit items admitted under regulation 23(5) of the Insurance Companies Regulations 1994

Future profits	31				
Zillmerising	32				
Hidden reserves	33				

Total of available assets and implicit items (25+31+32+33)	34				
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Required minimum margin

Required minimum margin for long term business	41			60	69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42				
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43				
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44				

CONTINGENT LIABILITIES

Quantifiable contingent liabilities in respect of other than long term business as shown in a supplementary note to Form 15	51			See instruction 6	
Quantifiable contingent liabilities in respect of long term business as shown in a supplementary note to Form 14	52			See instruction 6	

Covering sheet to Form 9

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Global business

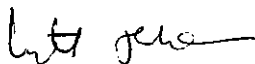
Financial year ended 31 December 1999



.....
E J Kok
Director



.....
P J Elliott
Director



.....
K J Shulman
Company Secretary

7 June 2000

Statement of net assets

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

R10	1432586	GL	31	12	1999	£000
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		As at the end of this financial year 1	As at the end of the previous year 2	Source		
				Form	Line	Column
Long term business - admissible assets	11			13	89	1
Long term business - liabilities and margins	12			14	59	1

Other than Long term business - admissible assets	21	4364	1585	13	89	1
Other than Long term business - liabilities	22	4945	5945	15	69	1
Net admissible assets (21-22)	23	(581)	(4360)			
Other assets allowed to be taken into account in covering the required minimum margin	Unpaid amounts (including share premium) on partly paid shares	24				
	Supplementary contributions for a mutual carrying on general business	25				
Liabilities allowed to be left out of account in covering the required minimum margin	Subordinated loan capital	26				
	Cumulative preference share capital	27				
Available assets (23 to 27)	29	(581)	(4360)			

Represented by:

Paid up share capital (other than cumulative preference share capital)	51	4750	4750			
Amounts included in lines 24 to 27 above	52					
Amounts representing the balance of net assets	56	(5331)	(9110)			
Total (51 to 56) and equal to line 29 above	59	(581)	(4360)			

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

Balance brought forward at the beginning of the financial year	61	(9110)	(9517)	10	56	2
Retained profit/(loss) for the financial year	62	22	(33)	16	59	1
Movement in asset valuation differences	63	3757	440	See instruction 2		
Decrease/(increase) in the provision for adverse changes	64			See instruction 3		
Other movements (particulars to be specified by way of supplementary note)	65					
Balance carried forward at the end of the financial year (61 to 65)	69	(5331)	(9110)			

General business : Calculation of required margin of solvency - first methodName of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**

			Company registration number	GL/UK/CM	Period ended			Units	
					day	month	year		
			R11	1432586	GL	31	12	1999	£000
			This financial year			Previous year			
			1			2			
Gross premiums receivable			11						
Premium taxes and levies (included in line 11)			12						
Sub-total A (11-12)			13						
Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure			14						
Division of Sub-total A (or adjusted Sub-total A if appropriate)	Other than health insurance	Up to and including sterling equivalent of 10M ECU x 18/100	15						
		Excess (if any) over 10M ECU x 16/100	16						
	Health insurance	Up to and including sterling equivalent of 10M ECU x 6/100	17						
		Excess (if any) over 10M ECU x 16/300	18						
Sub-total B (15+16+17+18)			19						
Claims paid			21	503			321		
Claims outstanding carried forward at the end of the financial year	For business accounted for on an underwriting year basis		22	1624			2022		
	For business accounted for on an accident year basis		23	224			128		
Claims outstanding brought forward at the beginning of the financial year	For business accounted for on an underwriting year basis		24	2022			2100		
	For business accounted for on an accident year basis		25	128			247		
Sub-total C (21+22+23-(24+25))			29	201			124		
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			30	314			(14)		
Sub-total D (29-30)			39	(113)			138		
First result Sub-total B x Sub-total D (or, if ½ is a greater fraction, x ½) Sub-total C			41						

General business : Calculation of required margin of solvency - second method, and statement of required minimum marginName of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

R12	1435286	GL	31	12	1999	£000
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			This financial year	Previous year	Source		
			1	2	Form	Line	Column
Reference period (No. of financial years) Insert "0" if there is no reference period otherwise insert "3" or "7"			11		See instruction 1		
Claims paid in reference period			21	1387	1975		
Claims outstanding carried forward at the end of the reference period	For business accounted for on an underwriting year basis		22	1624	2022		
	For business accounted for on an accident year basis		23	224	128		
Claims outstanding brought forward at the beginning of the reference period	For business accounted for on an underwriting year basis		24	2541	5347		
	For business accounted for on an accident year basis		25	397	768		
Sub-total E (21+22+23-(24+25))			29	297	(1990)		
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)			31	99	(663)		
Division of Sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100	32	26			
		Excess (if any) over 7M ECU x 23/100	33				
	Health insurance	Up to and including sterling equivalent of 7M ECU x 26/300	34				
		Excess (if any) over 7M ECU x 23/300	35				
Sub-total G (32 to 35)			39	26			
Second result Sub-total G x $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if $\frac{1}{2}$ is a greater fraction, x $\frac{1}{2}$)			41	13			

First result	42			11	41
Required margin of solvency (the higher of lines 41 and 42)	43	13			

Minimum guarantee fund	44	256	282		
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Required minimum margin (the higher of lines 43 and 44)	49	256	282		
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Analysis of admissible assets

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Category of assets **Total other than long term business assets**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets
					day	month	year		
			R13	1432586	GL	31	12	1999	£000
Investments						As at the end of this financial year 1		As at the end of the previous year 2	
Land and buildings						11			
Investments in group undertakings and participating interests	UK insurance dependants	Shares	21						
		Debt securities issued by, and loans to, dependants	22						
	Other insurance dependants	Shares	23						
		Debt securities issued by, and loans to, dependants	24						
	Non-insurance dependants	Shares	25						
		Debt securities issued by, and loans to, dependants	26						
	Other group undertakings and participating interests	Shares	27						
		Debt securities issued by, and loans to, group undertaking	28						
		Participating interests	29						
Debt securities issued by, and loans to, undertakings in which the company has a participating interest		30							
Total sheet 1 (11 to 30)						39			

Analysis of admissible assets

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	1432586	GL	31	12	1999	£000	1
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities					As at the end of this financial year 1		As at the end of the previous year 2		
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45					
			Other	46					
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54		3424		517	
		Withdrawal subject to a time restriction of more than one month		55					
	Other			56					
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked		58						
	Property linked		59						
Reinsurers' share of technical provisions	Provision for unearned premiums		60						
	Claims outstanding		61		700		724		
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)				69		4124		1241	

Analysis of admissible assets

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets
				day	month	year		
		R13	1432586	GL	31	12	1999	£000
Debtors					As at the end of this financial year 1		As at the end of the previous year 2	
Other assets								
Debtors arising out of direct insurance operations	Policyholders			71				
	Intermediaries			72				
Salvage and subrogation recoveries				73				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74				
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75	71		200	
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76				
		Due more than 12 months after the end of the financial year		77				
	Other	Due in 12 months or less after the end of the financial year		78	43		79	
		Due more than 12 months after the end of the financial year		79				
Tangible assets				80				
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81	119		59	
	Cash in hand			82				
Other assets (particulars to be specified by way of supplementary note)				83				
Prepayments and accrued income	Accrued interest and rent			84	7		6	
	Deferred acquisition costs			85				
	Other prepayments and accrued income			86				
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87				
Total sheet 3 (71 to 86 less 87)				88	240		344	
Grand total of admissible assets (39+69+88)				89	4364		1585	

Liabilities (other than long term business)

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	1432586	GL	31	12	1999	£000
				As at the end of this financial year 1		As at the end of the previous year 2		
Technical provisions (gross amount)	Provision for unearned premiums		11					
	Claims outstanding		12	2698		3050		
	Provision for unexpired risks		13					
	Equalisation provisions	Credit business	14					
		Other than credit business	15					
	Other		16					
	Total (11 to 16)		19	2698		3050		
Provisions for other risks and charges	Taxation		21					
	Other		22					
Deposits received from reinsurers			31					
Creditors	Arising out of insurance operations	Direct business	41					
		Reinsurance accepted	42	2186		2717		
		Reinsurance ceded	43					
	Debenture loans	Secured	44					
		Unsecured	45					
	Amounts owed to credit institutions		46					
	Other creditors	Taxation	47					
		Recommended dividend	48					
		Other	49	61		178		
Accruals and deferred income			51					
Total (19 to 51)			59	4945		5945		
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)			61					
Cumulative preference share capital			62					
Subordinated loan capital			63					
Total (59 to 63)			69	4945		5945		
Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance			71					

Profit and loss account (non-technical account)

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**

		Company registration number	GL/UK/CM	Period ended			Units
				day	month	year	
R16		1432586	GL	31	12	1999	£000
		This financial year 1	Previous year 2	Source			
				Form	Line	Column	
	11	(248)	(148)	20 . 59			
ns	12						
t	13			40 . 26			
	14	227	284				
	15						
	16						
s,	17						
	18						
	19						
	20			20 . 51			
	21	43	(169)				
	29	22	(33)				
	31						
	39	22	(33)				
	41						
	42						
	43						
	49	22	(33)				
	51						
	59	22	(33)				

Returns under Insurance Companies Legislation

General business : Technical account (excluding equalisation provisions)Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Summary**

R20	Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary
			day	month	year		
	1432586	GL	31	12	1999	£000	99

Items to be shown net of reinsurance			This financial year	Previous year	Source		
			1	2	Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11			21	19	5
	Claims incurred	12			22	17	4
	Claims management costs	13			22	18	4
	Adjustment for discounting	14			22	52	4
	Increase in provision for unexpired risks	15			22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16					
	Net operating expenses	17			22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	35	10	22	13	4
	Claims management costs	23			22	14	4
	Adjustment for discounting	24			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25					
	Net operating expenses	26			22	41	4
	Balance (21-22-23+24+25-26)	29	(35)	(10)			
Balance from underwriting year accounting	Per Form 24	31	(213)	(138)	24	69	99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32					
	Total	39	(213)	(138)			
Balance of all years' underwriting (19+29+39)		49	(248)	(148)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(248)	(148)			

General business : Technical account (excluding equalisation provisions)

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Accident and Health**

Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary	
		day	month	year			
R20	1432586	GL	31	12	1999	£000	1

Items to be shown net of reinsurance			This financial year	Previous year	Source		
			1	2	Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11			21	19	5
	Claims incurred	12			22	17	4
	Claims management costs	13			22	18	4
	Adjustment for discounting	14			22	52	4
	Increase in provision for unexpired risks	15			22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16					
	Net operating expenses	17			22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	37	20	22	13	4
	Claims management costs	23			22	14	4
	Adjustment for discounting	24			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25					
	Net operating expenses	26			22	41	4
	Balance (21-22-23+24+25-26)	29	(37)	(20)			
Balance from underwriting year accounting	Per Form 24	31	33		24	69	99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32					
	Total	39	33				
Balance of all years' underwriting (19+29+39)		49	(4)	(20)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(4)	(20)			

General business : Technical account (excluding equalisation provisions)Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Motor**

Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary	
		day	month	year			
R20	1432586	GL	31	12	1999	£000	2

Items to be shown net of reinsurance			This financial year	Previous year	Source		
			1	2	Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11			21	19	5
	Claims incurred	12			22	17	4
	Claims management costs	13			22	18	4
	Adjustment for discounting	14			22	52	4
	Increase in provision for unexpired risks	15			22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16					
	Net operating expenses	17			22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	2		22	13	4
	Claims management costs	23			22	14	4
	Adjustment for discounting	24			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25					
	Net operating expenses	26			22	41	4
	Balance (21-22-23+24+25-26)	29	(2)				
Balance from underwriting year accounting	Per Form 24	31			24	69	99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32					
	Total	39					
Balance of all years' underwriting (19+29+39)		49	(2)				
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(2)				

General business : Technical account (excluding equalisation provisions)Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Aviation**

R20	Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary
			day	month	year		
	1432586	GL	31	12	1999	£000	3

Items to be shown net of reinsurance			This financial year	Previous year	Source		
			1	2	Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11			21	19	5
	Claims incurred	12			22	17	4
	Claims management costs	13			22	18	4
	Adjustment for discounting	14			22	52	4
	Increase in provision for unexpired risks	15			22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16					
	Net operating expenses	17			22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22			22	13	4
	Claims management costs	23			22	14	4
	Adjustment for discounting	24			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25					
	Net operating expenses	26			22	41	4
	Balance (21-22-23+24+25-26)	29					
Balance from underwriting year accounting	Per Form 24	31	271		24	69	99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32					
	Total	39	271				
Balance of all years' underwriting (19+29+39)		49	271				
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	271				

General business : Technical account (excluding equalisation provisions)Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Property**

Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary	
		day	month	year			
R20	1432586	GL	31	12	1999	£000	6

Items to be shown net of reinsurance			This financial year	Previous year	Source		
			1	2	Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11			21	19	5
	Claims incurred	12			22	17	4
	Claims management costs	13			22	18	4
	Adjustment for discounting	14			22	52	4
	Increase in provision for unexpired risks	15			22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16					
	Net operating expenses	17			22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	(29)	(12)	22	13	4
	Claims management costs	23			22	14	4
	Adjustment for discounting	24			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25					
	Net operating expenses	26			22	41	4
	Balance (21-22-23+24+25-26)	29	29	12			
Balance from underwriting year accounting	Per Form 24	31	73		24	69	99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32					
	Total	39	73				
Balance of all years' underwriting (19+29+39)		49	102	12			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	102	12			

General business : Technical account (excluding equalisation provisions)Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Third party liability**

Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary	
		day	month	year			
R20	1432586	GL	31	12	1999	£000	7

Items to be shown net of reinsurance			This financial year	Previous year	Source		
			1	2	Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11			21	19	5
	Claims incurred	12			22	17	4
	Claims management costs	13			22	18	4
	Adjustment for discounting	14			22	52	4
	Increase in provision for unexpired risks	15			22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16					
	Net operating expenses	17			22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22	25	2	22	13	4
	Claims management costs	23			22	14	4
	Adjustment for discounting	24			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25					
	Net operating expenses	26			22	41	4
	Balance (21-22-23+24+25-26)	29	(25)	(2)			
Balance from underwriting year accounting	Per Form 24	31			24	69	99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32					
	Total	39					
Balance of all years' underwriting (19+29+39)		49	(25)	(2)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(25)	(2)			

General business : Technical account (excluding equalisation provisions)Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Non-proportional treaty**

Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary	
		day	month	year			
R20	1432586	GL	31	12	1999	£000	9

Items to be shown net of reinsurance			This financial year	Previous year	Source		
			1	2	Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11			21	19	5
	Claims incurred	12			22	17	4
	Claims management costs	13			22	18	4
	Adjustment for discounting	14			22	52	4
	Increase in provision for unexpired risks	15			22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16					
	Net operating expenses	17			22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5
	Claims incurred	22			22	13	4
	Claims management costs	23			22	14	4
	Adjustment for discounting	24			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25					
	Net operating expenses	26			22	41	4
	Balance (21-22-23+24+25-26)	29					
Balance from underwriting year accounting	Per Form 24	31	(590)	(138)			
	Other technical income and charges (particulars to be specified by way of supplementary note)	32					
	Total	39	(590)	(138)	24	69	99-99
Balance of all years' underwriting (19+29+39)		49	(590)	(138)			
Allocated investment return		51					
Transfer to non-technical account (49+51)		59	(590)	(138)			

General business (accident year accounting) : Analysis of premiumsName of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Accident and health**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class
				day	month	year		
		R21	1432586	GL	31	12	1999	£000
		Reinsurers' share			Net of reinsurance			
Premiums receivable during the financial year		Gross premiums written	Earned in previous financial years 1	Earned in previous financial years 3	Earned in previous financial years 5			
In respect of risks incepted in previous financial years		11						
In respect of risks incepted in previous financial years		12	Earned in this financial year 1	Earned in this financial year 3	Earned in this financial year 5	Unearned at end of this financial year 6		
In respect of risks incepted in this financial year		13						
In respect of risks incepted in this financial year		14						
In respect of risks incepted in this financial year		15						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16						
Total (12 to 16)		19						

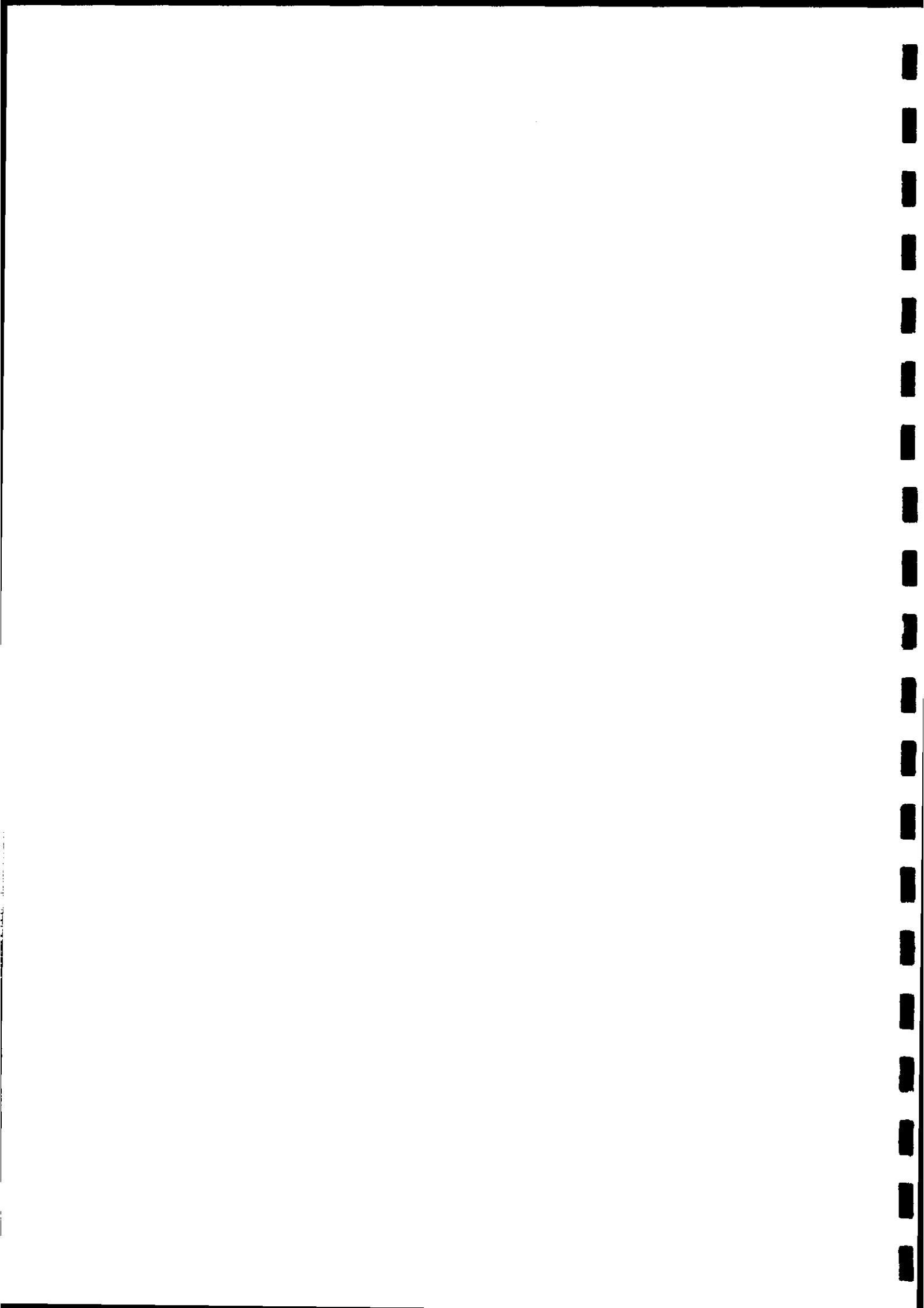
General business (accident year accounting) : Analysis of premiumsName of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Motor**

Company registration number **1432586** GL/UK/CM **GL** 31 12 1999 Period ended day month year Units **£000** Accounting class **2**

		Gross premiums written		Reinsurers' share		Net of reinsurance		
		Earned in previous financial years 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in previous financial years 5	Earned in this financial year 5	Unearned at end of this financial year 6
Premiums receivable during the financial year								
In respect of risks incepted in previous financial years	11							
In respect of risks incepted in previous financial years	12							
In respect of risks incepted in this financial year	For periods of less than 12 months							
	For periods of 12 months							
	For periods of more than 12 months							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16							
Total (12 to 16)	19							



General business (accident year accounting) : Analysis of premiumsName of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Property**

Company registration number	GL/UK/CM	Period ended			Units	Accounting class
		day	month	year		
R21	1432586	GL	31	12	1999	£000
						6

		Gross premiums written		Reinsurers' share		Net of reinsurance	
		Eamed in previous financial years 1		Eamed in previous financial years 3		Eamed in previous financial years 5	
Premiums receivable during the financial year							
In respect of risks accepted in previous financial years							
		11					
In respect of risks accepted in previous financial years							
		12					
In respect of risks accepted in previous financial years							
		13					
In respect of risks accepted in previous financial years							
		14					
In respect of risks accepted in previous financial years							
		15					
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year							
		16					
Total (12 to 16)							
		19					

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of premiums

Name of company AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Global business

Financial year ended 31st December 1999

Accounting class Third party liability

R21	Company registration number 1432586	GL/UK/CM GL	Period ended		Units £000	Accounting class 7
			day 31	month 12		

		Gross premiums written		Reinsurers' share		Net of reinsurance	
		Earned in previous financial years 1	Earned at end of this financial year 2	Earned in previous financial years 3	Earned at end of this financial year 4	Earned in previous financial years 5	Earned at end of this financial year 6
Premiums receivable during the financial year							
In respect of risks incepted in previous financial years	11						
In respect of risks incepted in previous financial years	12						
In respect of risks incepted in this financial year	For periods of less than 12 months						
	For periods of 12 months						
	For periods of more than 12 months						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16						
Total (12 to 16)	19						

General business (accident year accounting) : Analysis of claims, expenses and technical provisionsName of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Accident and Health**

Company registration number	GL/UK/CM	Period ended			Units	Accounting class	
		day	month	year			
R22	1432586	GL	31	12	1999	£000	1

			Amount brought forward from previous financial year 1	Amount payable/ receivable in this financial year 2	Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	51	42	144	135
	Reinsurers' share	12	25		123	98
	Net (11-12)	13	26	42	21	37
	Claims management costs	14	39		39	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				
	Reinsurers' share	16				
	Net (15-16)	17				
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21				
	Other acquisition expenses	22				
	Administrative expenses	23				
	Reinsurance commissions and profit participations	24				
	Total (21+22+23-24)	29				
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31				
	Reinsurers' share	32				
	Claims management costs	33				
	Total (31-32+33)	39				
Split of line 29	Prior financial years	41				
	This financial year	42				
Split of line 39	Incidents occurring prior to this financial year	51				
	Incidents occurring in this financial year	52				

General business (accident year accounting) : Analysis of claims, expenses and technical provisionsName of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Motor**

Company registration number	GL/UK/CM	Period ended			Units	Accounting class	
		day	month	year			
R22	1432586	GL	31	12	1999	£000	2

			Amount brought forward from previous financial year	Amount payable/ receivable in this financial year	Amount carried forward to next financial year	Amount attributable to this financial year
			1	2	3	4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		2		2
	Reinsurers' share	12				
	Net (11-12)	13		2		2
	Claims management costs	14				
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				
	Reinsurers' share	16				
	Net (15-16)	17				
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21				
	Other acquisition expenses	22				
	Administrative expenses	23				
	Reinsurance commissions and profit participations	24				
	Total (21+22+23-24)	29				
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31				
	Reinsurers' share	32				
	Claims management costs	33				
	Total (31-32+33)	39				
Split of line 29	Prior financial years	41				
	This financial year	42				
Split of line 39	Incidents occurring prior to this financial year	51				
	Incidents occurring in this financial year	52				

General business (accident year accounting) : Analysis of claims, expenses and technical provisionsName of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Property**

R22	Company registration number 1432586	GL/UK/CM GL	Period ended			Units £000	Accounting class 6
			day	month	year		
			31	12	1999		

			Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2	Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	50	3	36	(11)
	Reinsurers' share	12	5	6	17	18
	Net (11-12)	13	45	(3)	19	(29)
	Claims management costs	14	26		26	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				
	Reinsurers' share	16				
	Net (15-16)	17				
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21				
	Other acquisition expenses	22				
	Administrative expenses	23				
	Reinsurance commissions and profit participations	24				
	Total (21+22+23-24)	29				
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31				
	Reinsurers' share	32				
	Claims management costs	33				
	Total (31-32+33)	39				
Split of line 29	Prior financial years	41				
	This financial year	42				
Split of line 39	Incidents occurring prior to this financial year	51				
	Incidents occurring in this financial year	52				

General business (accident year accounting) : Analysis of claims, expenses and technical provisionsName of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Third party liability**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

Accounting
class

R22	1432586	GL	31	12	1999	£000	7
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			Amount brought forward from previous financial year 1	Amount payable/ receivable in this financial year 2	Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	27	5	44	22
	Reinsurers' share	12	32	10	19	(3)
	Net (11-12)	13	(5)	(5)	25	25
	Claims management costs	14	60		60	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				
	Reinsurers' share	16				
	Net (15-16)	17				
	Claims management costs	18				
Provision for unexpired risks		19				
Net operating expenses	Commissions	21				
	Other acquisition expenses	22				
	Administrative expenses	23				
	Reinsurance commissions and profit participations	24				
	Total (21+22+23-24)	29				
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31				
	Reinsurers' share	32				
	Claims management costs	33				
	Total (31-32+33)	39				
Split of line 29	Prior financial years	41				
	This financial year	42				
Split of line 39	Incidents occurring prior to this financial year	51				
	Incidents occurring in this financial year	52				

General business (accident year accounting) : Analysis of net claims and premiums

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Accident and health**

Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
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Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
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Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
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Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
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Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
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Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
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Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
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Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
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Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
Accounting class		Accident and health										Company registration number	GL/UK/CM			Period ended			Units	Accounting class
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General business (accident year accounting) : Analysis of net claims and premiums

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Motor**

Financial year ended 31st December 1999										Accounting class		Motor		Company registration number		GL/UK/CM		Period ended			Units		Accounting class								
Accounting class		Month		Year		Claims paid (net) during the accident year		Claims outstanding (net) as at end of the accident year		Total claims paid (net) since the end of the accident year, but prior to this financial year		Claims paid (net) during this financial year		Claims outstanding forward		Claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)		Deduction for discounting from claims outstanding carried forward (net)		Earned premiums (net)		Deterioration/ (surplus) of original reserve %		Claims ratio %					
R23		1432586		GL		31		12		1999		£000		2		R23		1432586		GL		31		12		1999		£000		2	
Accident year ended		Month		Year		1		2		3		4		5		6		7		8		9		10		11		12		13	
12	1999	11																													
12	1998	12																													
12	1997	13																													
12	1996	14																													
12	1995	15																													
12	1994	16																													
12	1993	17																													
12	1992	18																													
12	1991	19																													
12	1990	20																													
Prior accident years		21										2																			
Reconciliation		22																													
Total (11 to 22)		29										2																			

General business (accident year accounting) : Analysis of net claims and premiums

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Property**Company registration number **GL/JUK/ICM** Period ended **year** **1999** Units **£000** Accounting class **6**

Accident year ended		R23		1432586		GL		31		12		1999		£000		6	
Month	Year	Claims outstanding brought forward		Claims outstanding carried forward		Claims paid (net) during this financial year		Total claims paid (net) since the end of the accident year, but prior to this financial year		Claims outstanding (net) as at end of the accident year		Claims paid (net) during the accident year		Deduction for discounting from claims outstanding carried forward (net)		Deterioration/ (surplus) of original reserve %	
		Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)
12	1999	11															
12	1998	12															
12	1997	13															
12	1996	14															
12	1995	15															
12	1994	16															
12	1993	17															
12	1992	18															
12	1991	19															
12	1990	20															
Prior accident years		21				(3)				14	5	40	5			(29)	
Reconciliation		22															
Total (11 to 22)		29				(3)				14	5	40	5			(29)	

General business (accident year accounting) : Analysis of net claims and premiums

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 1999**Accounting class **Third party liability**Company registration number **1432586** GL/UK/CM **GL** Period ended **1999** day month year **31 12** Units **£000** Accounting class **7**

R23																	1432586		GL		31		12		1999		£000		7	
Accident year ended			Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward			Claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original reserve %	Claims ratio %														
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)																				
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15														
		12	1999																											
		12	1998																											
		12	1997																											
		12	1996																											
		12	1995																											
		12	1994																											
		12	1993																											
		12	1992																											
		12	1991																											
12	1990																													
Prior accident years		21			(5)	10	15	(20)	15	25																				
Reconciliation		22																												
Total (11 to 22)		29			(5)	10	15	(20)	15	25																				

Name of company	AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED
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Financial year ended 31st December 1999

31st December 1999

31st December 1999

Accounting class	Non-proportional treaty
1	1
2	2
3	3
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6	6
7	7
8	8
9	9
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11	11
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[illegible]

Name of company	AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED
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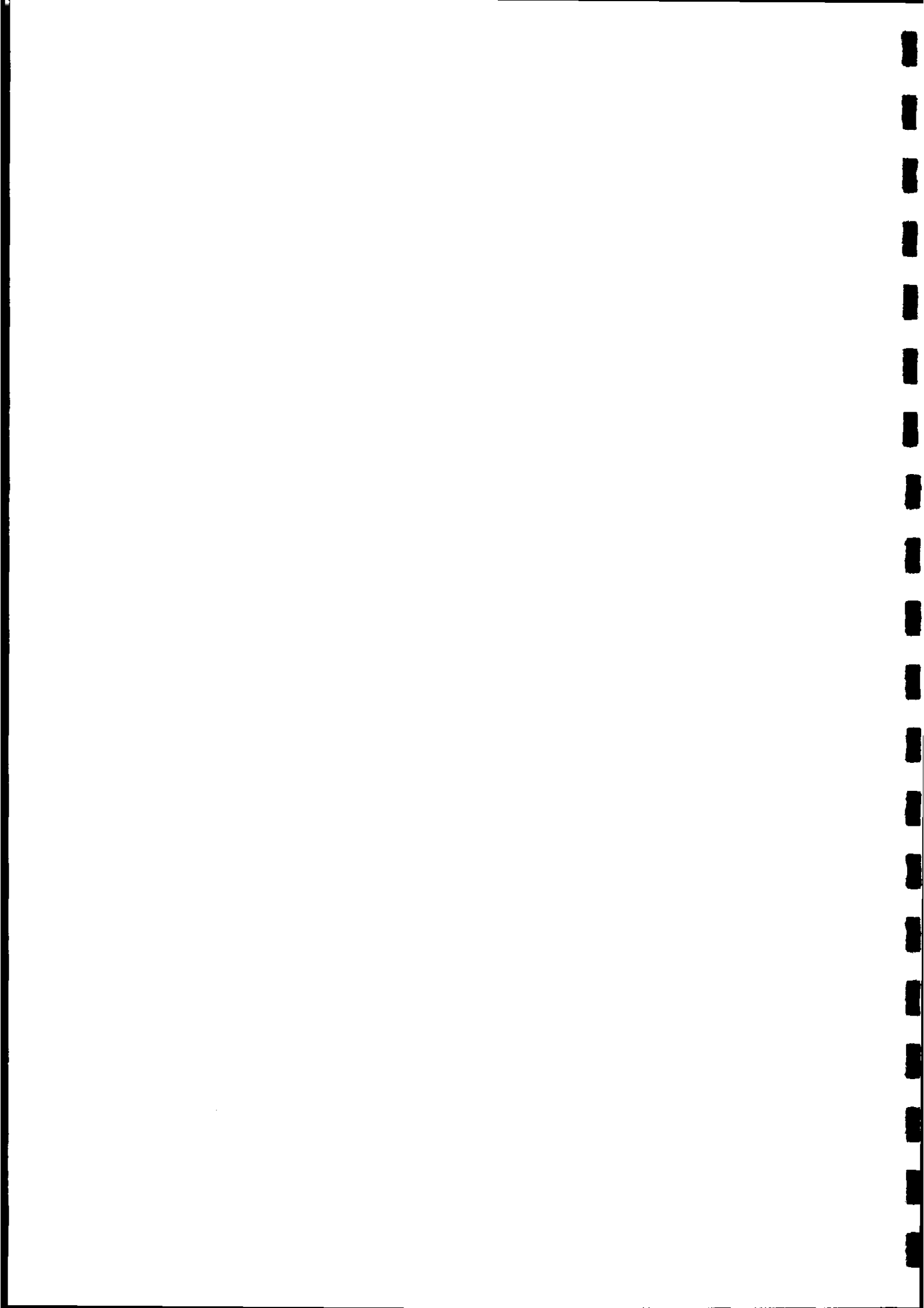
AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

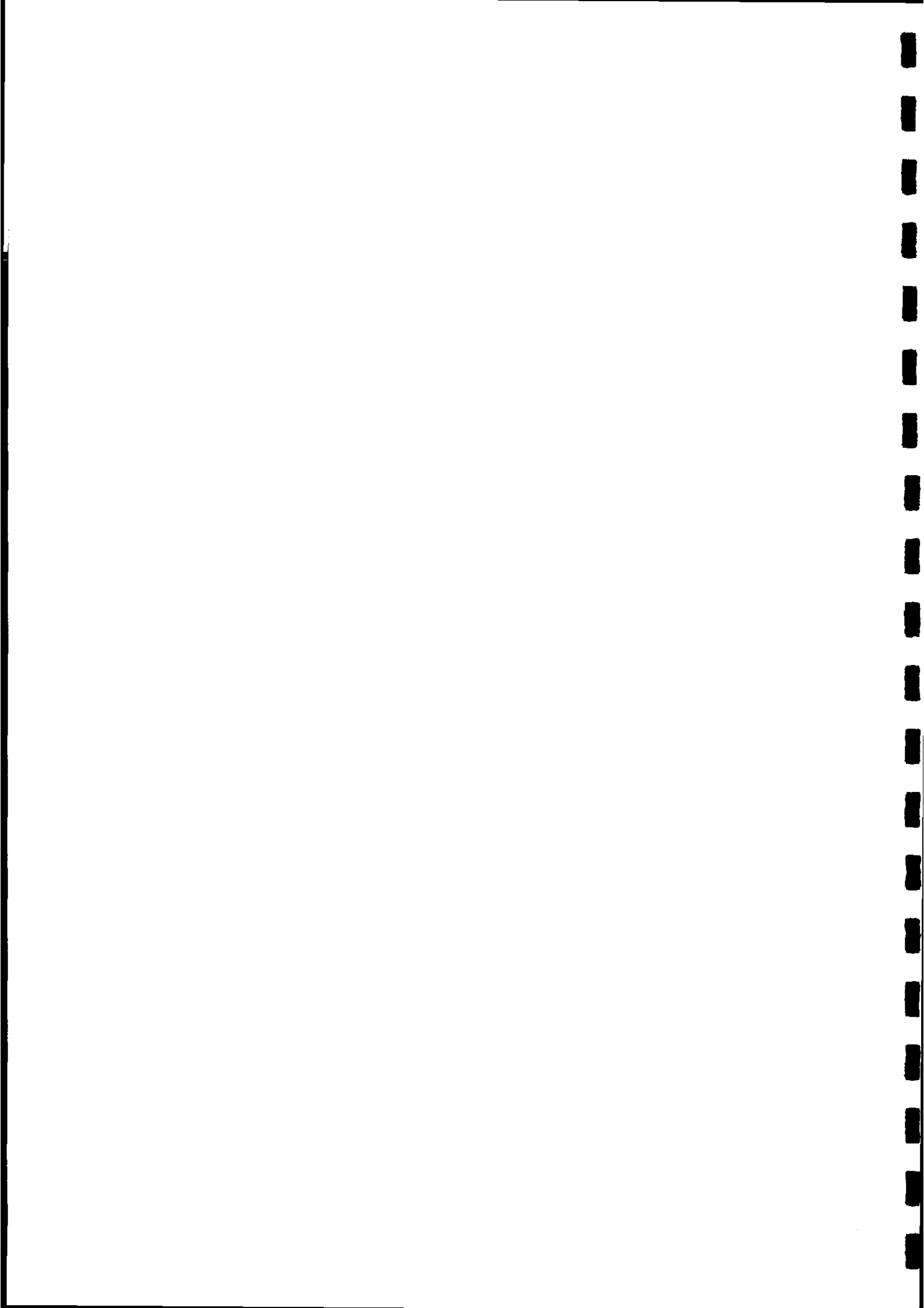
Global business

Financial year ended	31st December 1999
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Accounting class

[illegible]





ance

Accounting class	Non-proportional treaty
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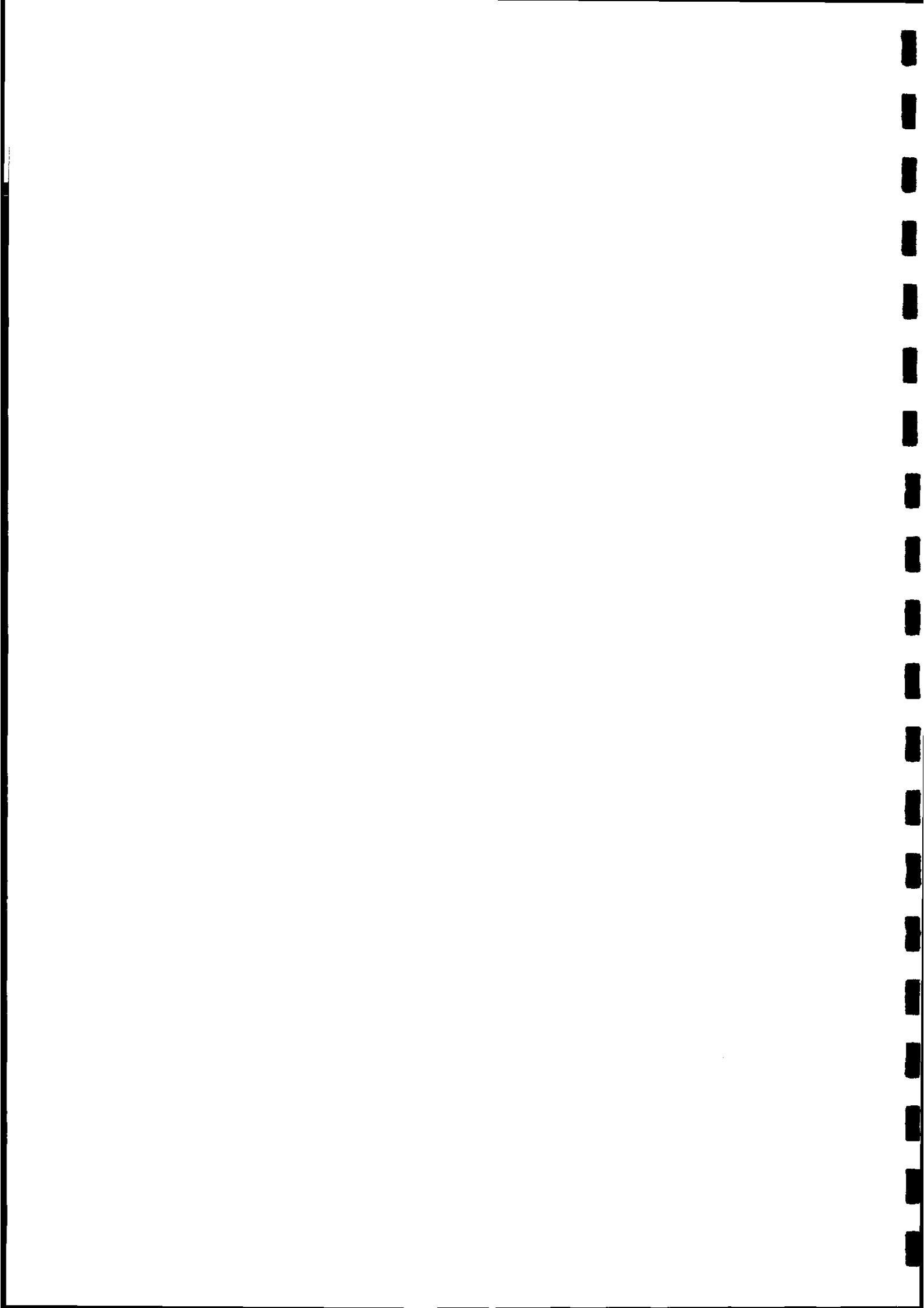
Accounting class

Currency
Sterling

00000000

Monetary units	Business category	Accounting class	Current
1000	1000	1000	1000
2000	2000	2000	2000
3000	3000	3000	3000
4000	4000	4000	4000
5000	5000	5000	5000
6000	6000	6000	6000
7000	7000	7000	7000
8000	8000	8000	8000
9000	9000	9000	9000
10000	10000	10000	10000

[illegible]



General business (underwriting year accounting) : Analysis of premiums, claims and expenses by category for treaty reinsurance

Name of company AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Accounting class Non-proportional treaty

Global business

Currency Sterling

Financial year ended 31st December 1999

Company
registration
numberGL/JUK/CM
Period ended
day month yearMonetary
units
Accounting
class
Currency

Category	Miscellaneous and pecuniary Loss										1999				Accounting class			
	R28	1432586	GL	31	12	1999	£000	h	9	AA	MM	YY	MM	YY	MM	YY	MM	YY
Underwriting year ended																		
Premiums written	Gross amount	11									1							
	Reinsurers' share	12									6							
	Net (11-12)	19									(5)							
Claims paid	Gross amount	21																
	Reinsurers' share	22									21							
	Net (21-22)	29									(21)							
Claims management costs																		
Net operating expenses	Commissions	39																
	Other acquisition expenses	41																
	Administrative expenses	42																
	Reinsurers' commissions and profit participations	43									(34)							
	Payable net (41+42+43-44)	44																
Technical provisions	Brought forward	49									(34)							
	Adjustment for discounting	51									177							
	Carried forward	52									28							
	Adjustment for discounting	53									201							
	Increase (decrease) in the financial year (53-54-51+52)	54																
Balance on each financial year (19-29-39-49-59)																		
		59									24							
		69									26							

Accounting class	Non-proportional treaty
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Accounting class	Non-port
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Non-proportional treaty

Company

Global business	Company registration number	GL/UK/CM	Period ended	day	month	year
Financial year ended						31st December 1999

[illegible]

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

Accounting class Accident and Health
Currency Sterling

Name of company AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Global business

Company registration number 1432586 GL/UK/CM Period ended day 31 month 12 year 1999 Monetary units £000 Accounting class 1

Financial year ended 31st December 1999

Risk group Accident

Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance for each accident year (4+5+6-7-8)		Gross earned premiums		Claims ratio %	
Month	Year	Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported						
12	1999	1	2	3	4	5	6	7	8	9	10	11			
12	1998														
12	1997														
12	1996														
12	1995														
12	1994														
12	1993														
12	1992														
12	1991														
12	1990														
Prior accident years			6		42	139	5	46	5	135					
Total (11 to 21)			6		42	139	5	46	5	135					
Line 29 expressed in sterling					42	139	5	46	5	135					

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

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**Accounting class **Property**

Global business

Currency **Sterling**Financial year ended **31st December 1999**Risk group **Property Other**

Risk group		Property Other											
Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding forward		Gross claims brought forward		Balance for each accident year (4+5+6-7-8)		AA	6
Month	Year	Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported	Reported	Incurred but not reported	AA	6
12	1999	11		3	4	5	6	7	8	9	10		11
12	1998	12											
12	1997	13											
12	1996	14											
12	1995	15											
12	1994	16											
12	1993	17											
12	1992	18											
12	1991	19											
12	1990	20											
Prior accident years		21	12		3	31	5	45	5	(11)			
Total (11 to 21)		29	12		3	31	5	45	5	(11)			
Line 29 expressed in sterling		30			3	31	5	45	5	(11)			

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

Accounting class Third party liability

Name of company AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Global business

Currency Sterling

Financial year ended 31st December 1999

Company
registration
number

GLUK/CM

Period ended
day month yearMonetary
units

Country

Accounting
class

Risk group

General Third Party

Accident year ended	Month	Year	Number of claims		Gross claims paid		Gross claims outstanding forward		Gross claims brought forward		Balance for each accident year (4+5+6-7-8)		Gross earned premiums	Claims ratio %
			Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurring but not reported	Reported	Incurring but not reported				
			1	2	3	4	5	6	7	8	9	10		
12		1999	11											
12		1998	12											
12		1997	13											
12		1996	14											
12		1995	15											
12		1994	16											
12		1993	17											
12		1992	18											
12		1991	19											
12		1990	20											
Prior accident years			21	30		5	29	15	12	15	22			
Total (11 to 21)			29	30		5	29	15	12	15	22			
Line 29 expressed in sterling			30			5	29	15	12	15	22			



Accounting class : Third-party liability

Global business

company
registration
number

GL/UK/CM	Period ended		
	day	month	year

Monetary
units

Country

Accounting
class

[illegible]

General business (accident year accounting) : Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance

Name of company AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Currency Sterling

Global business

Financial year ended 31st December 1999

Company registration number 1432586 GL/UK/CM 31 12 1999 Monetary units £000 Country AA

Risk group Black cabs

Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims brought forward		Balance on each accident year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %
Month	Year	Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported					
		1	2	3	4	5	6	7	8					
12	1999	11												
12	1998	12												
12	1997	13												
12	1996	14												
12	1995	15												
12	1994	16												
12	1993	17												
12	1992	18												
12	1991	19												
12	1990	20												
Prior accident years		21			2					2				
Total (11 to 21)		29			2					2				
Line 29 expressed in sterling		30			2					2				

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

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED** Accounting class **Accident and health**Global business Currency **Sterling**Financial year ended **31st December 1999**Risk group **Accident**

Financial year ended 31st December 1999																	
Risk group		Accident															
Underwriting year ended		Company registration number			GLUK/CM		Period ended			Monetary units		Country		Accounting class			
		R34			1432586		G		31 12 1999			£000		AA		1	
					Gross claims outstanding carried forward			Gross claims outstanding brought forward			Balance on each underwriting year (2+3+4-5-6)			Gross premiums written		Claims ratio %	

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

Name of company **AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED**Accounting class **Aviation**

Global business

Currency **Sterling**Financial year ended **31st December 1999**Risk group **Aviation**Company registration number **GL/UK/CM** Period ended **day month year** Monetary units **£000** Country **AA** Accounting class **3**

Underwriting year ended	Month	Year	Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance on each underwriting year (2+3+4-5-6)		Gross premiums written	Claims ratio %
			In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported				
12	1999	11		2	3	4	5	6	7	8	9	
12	1998	12										
12	1997	13										
12	1996	14										
12	1995	15										
12	1994	16										
12	1993	17										
12	1992	18										
12	1991	19										
12	1990	20										
Prior underwriting years				(21)	258		290		(53)			
Total (11 to 21)				(21)	258		290		(53)			
Line 29 expressed in sterling				(21)	258		290		(53)			

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

Accounting class Property

Name of company AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

Currency Sterling

Global business

Company registration number	GL/UK/ICM	Period ended day month year	Monetary units	Country	Accounting class
R34	1432586	GL 31 12 1999	£000	AA	6

Financial year ended 31st December 1999

Risk group Property Other

Underwriting year ended		Gross claims paid		Gross claims outstanding brought forward		Gross claims outstanding carried forward	Gross claims outstanding brought forward		Balance on each underwriting year (2+3+4-5-6)	Gross premiums written	Claims ratio %
		In previous financial years	In this financial year	Reported	Injured but not reported		Reported	Injured but not reported			
Month	Year	1	2	3	4	5	6	7	8	9	
		12	1999	11							
		12	1998	12							
		12	1997	13							
		12	1996	14							
		12	1995	15							
		12	1994	16							
		12	1993	17							
		12	1992	18							
		12	1991	19							
12	1990	20									
Prior underwriting years		21				10		(10)			
Total (11 to 21)		29				10		(10)			
Line 29 expressed in sterling		30				10		(10)			

A.A.MUTUAL INTERNATIONAL INSURANCE CO. LIMITED

Returns under Insurance Companies Legislation
Insurance Companies (Accounts and Statements) Regulations 1996 - Regulation 19
Financial Year Ended 31.12.1999

MAJOR REINSURERS REPORT

	Connected Company	Premium Ceded In Financial Year £	Amount of Debt at 31.12.99 £	Deposit £	Anticipated Recovery £
In respect of Proportional Reinsurance Ceded					
1. Polygon Insurance Co. Ltd Le Riche House 50 High Street St Peter Port GUERNSEY	No	0.00	0.00		1,320.00
2. Dai Tokyo Fire & Marine Insurance Company 1-6 Nihonbashi 3-Chome Chou-Ku, Tokyo 103 JAPAN	No	-299.20	0.00	0.00	1.00
In respect of Non-Proportional Reinsurance Ceded					
Lloyd's Lime Street London EC3 ENGLAND	No	0.00	0.00		187,724.00

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A. A. MUTUAL INTERNATIONAL INSURANCE CO. LIMITED

Returns under Insurance Companies Legislation
Insurance Companies (Accounts and Statements) Regulation 1996 - Regulation 20
Financial Year Ended 31.12.1999

MAJOR FACULTATIVE REINSURER REPORT

In respect of Facultative Reinsurance Ceded	Connected Company	No	Premium Ceded In Financial Year £	Amount of Debt at 31.12.98 £	Deposit £	Anticipated Recovery £
Home & Overseas The Grange Bishops Cleeve Cheltenham Glos GL52 4XX			0.00	38,135.09		45,728.53

A.A. MUTUAL INTERNATIONAL INSURANCE CO. LIMITED

Returns under Insurance Companies Legislation
Insurance Companies (Accounts and Statements) Regulations 1996 - Regulation 21
Financial Year Ended 31.12.1999

MAJOR
CEDANT REPORT

Name & Address of Cedant	Connected Company	Amount £
Lloyd's Lime Street, EC3	No	1,678.99

Returns under Insurance Companies Legislation

Statement required by regulation 23 of the Insurance Companies (Accounts and Statements) Regulations 1996

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Additional information on derivative contracts

The investments guidelines operated by the company prohibit the use of derivative contracts, and accordingly the company has not entered into any such contracts in the year ended 31 December 1999.

Returns under Insurance Companies Legislation

Statement of Shareholder Controllers required by regulation 24 of the Insurance Companies (Accounts and Statements) Regulations 1996

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Statement of Shareholder Controllers

During the whole of the financial year ended 31 December 1999 100% of the share capital of the company was controlled by AAM Holdings Limited.

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary note to Form 10

1001 Reconciliation of net assets

	£'000	£'000
Total assets per Form 13.99.1	5,425	6,403
Total liabilities per line 15.69.1	(4,945)	(5,945)
	<hr/>	<hr/>
	480	458
Other movements	-	-
	<hr/>	<hr/>
Capital and reserves per shareholders accounts	480	458
	<hr/>	<hr/>

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary notes to Form 13

1304 Debtors arising out of reinsurance operations

The company has made its best endeavours to present debtors arising out of reinsurance operations shown in Form 13.74.1 in compliance with FRS5.

1305 Maximum Permitted Counterparty Limit

The Company's assets are held in trust and the trustees' investment policy is to place funds on deposit with credit institutions that have a high quality credit rating. In carrying out this policy no limit is set as how much can be deposited with each institution.

1306 Exposure at Year End to Large Counterparties

The company had the following exposures at 31 December 1999 in excess of 5% of GBA:

i) AA Mutual Insurance Association Limited ('AAMA')

AAMA was the company's former parent undertaking and major reinsurer. The short-term insurance business of AAMA was placed in liquidation on 24 June 1986 and the company's claims have been settled in full subject to exchange movements.

The liquidators have confirmed that they hold residual funds, a proportion of which is attributable to the company. Form 13.78.1 includes £6,000 and Form 13.92.1 includes a further £243,000 as being the company's attributable share of such funds. The directors are unable to estimate when these funds might be received as the liquidators have not confirmed their distribution proposals.

ii) At 31 December 1999 the US dollar equivalent of £4,242,236 was placed on deposit with a number of approved credit institutions in the UK for a period not exceeding one month. Form 13.54.1 includes £3,424,000 and Form 13.92.1 includes a further £818,000 in respect of these deposits.

1307 Reinsurers' share of technical provisions - claims outstanding

The company has completed its twelfth year of run off and the directors believe incurred claims to be effectively fully developed. Form 15.12.1 includes gross technical provisions for claims outstanding amounting to £1,848,000 and Form 13.61.1 includes the related reinsurers' share of such provisions amounting to £700,000. The directors believe these amounts to be fairly stated on the basis of information currently available to them. Nevertheless, they acknowledge that unexpected future experience may show adjustments are required to these amounts, particularly in respect of:

- a) assumptions made in estimating claims provisions and in the potential for new sources or types of claim to emerge; and
- b) assumptions made in estimating the reinsurers' share of claims outstanding and the appropriate provision in respect of them.

In the event of adjustments being required to these amounts, they will be reflected in the returns for the period in which they arise.

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary notes to Form 15

1501 Provision for Adverse Changes

As explained in note 1701, the company has not entered into any derivative contracts. Accordingly no provision for adverse changes is required.

1504 Creditors arising out of insurance operations

The company has made its best endeavours to present creditors arising out of reinsurance operations shown in Form 15.42.1 in compliance with FRS5.

1505 Gross technical provisions - claims outstanding

The company has completed its twelfth year of run off and the directors believe incurred claims to be effectively fully developed. Form 15.12.1 includes gross technical provisions for claims outstanding amounting to £1,848,000 and Form 13.61.1 includes the related reinsurers' share of such provisions amounting to £700,000. The directors believe these amounts to be fairly stated on the basis of information currently available to them. Nevertheless, they acknowledge that unexpected future experience may show adjustments are required to these amounts, particularly in respect of:

- a) assumptions made in estimating claims provisions and in the potential for new sources or types of claim to emerge; and
- b) assumptions made in estimating the reinsurers' share of claims outstanding and the appropriate provision in respect of them.

In the event of adjustments being required to these amounts, they will be reflected in the returns for the period in which they arise.

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary notes to Form 16

1601 Basis of foreign currency conversion

The general business technical accounts are maintained in three currencies, Sterling, US Dollars and Canadian Dollars.

The opening balances on the United States Dollar and Canadian Dollar general business technical accounts are translated into Sterling at the rates ruling at 31st December 1999. The resulting revaluation adjustment is shown in the general business technical account, as part of the change in the provision for claims figure for the year. Revenue transactions are translated at the rates ruling at the date of settlement. Unsettled revenue transactions and the related asset and liability balances at 31st December 1999 in currencies other than Sterling, are translated at the appropriate year end rates.

1603 Other income and charges

Amounts shown in Form 16.21.1 relate to foreign exchange movements.

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary note to Form 17

1701 Derivative Contracts

The company has not entered into any derivative transactions during the year under review. As permitted by Prudential Guidance Note 1998/1 "The preparation of annual returns to the Insurance Directorate of HM Treasury" no Form 17 has been included in this return, because the company has no transactions which qualify to be reported for the year ended 31st December 1999 or for the previous year.

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary notes to Form 20

2002 Analysis between UK and Overseas business

For all accounting classes there are no gross premiums written.

2003 Date of last new contract

On 4 December 1987, at the request of the company, the Department of Trade and Industry withdrew the authorisation of the company to effect contracts of insurance. Accordingly no new contracts of insurance have been effected since that date.

2007 Concession

On 9 October 1980, the company was given a concession by the Department of Trade and Industry to account for certain classes of business on a three-year basis.

Under the new regulations, this business is now accounted for on an underwriting year basis. Accordingly, the Company considers the classes of business as being managed together.

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary notes to Form 22

2202 Provision for future claims handling costs

A provision of £850,000 (1998: £900,000) has been made for future claims handling costs, net of anticipated investment income.

This provision has been allocated between accident years and underwriting years by reference to the value of outstanding claims.

The provision has been included in this return as follows:

	Form 22			Form 25				Total Per Return £'000
	1 £'000	6 £'000	7 £'000	1 £'000	3 £'000	6 £'000	9 £'000	
Provision for future claims handling costs	39	26	60	4	178	5	538	850

2209 Reconciliation of administration and other costs in the return to those in the financial statements

The following expenses and other costs included in the financial statements as

Administrative expenses	542
Items arising from the run off of the WF Portfolio of business	(12)
Decrease in provision for doubtful debts	243
	<u>773</u>

have been included in the return as administrative expense on Form 24.43.98 (accounting class 9).

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary note to Form 23

2303 Analysis of net claims

As reinsurance recoveries are in excess of the claims outstanding for accounting classes 6 and 7, net claims are shown as negative.

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary notes to Form 24

2401 Amounts brought forward

Amounts brought forward differ from the amounts carried forward due to exchange movements.

2402 Reporting Basis/Basis of Profit Recognition

Certain classes of business are accounted for on an underwriting year basis because the nature of the business accepted was such that underwriting results could not be established with sufficient accuracy under the annual basis. These classes of business are: accident, aviation, property and excess loss/general treaty.

Under the non annual underwriting basis of accounting, premiums, claims and expenses were carried forward as a provision and profit recognition was deferred until the end of the third year from the start of any underwriting year. Any anticipated underwriting losses were recognised as soon as they were foreseen.

2404 Claims Management Costs

The directors are preparing an updated run-off plan for the company and have made provision for future claims handling costs, net of anticipated investment income. Refer to note 2202 for further details.

2407 Reconciliation of Form 24 to Form 34

Form 34 relates to direct and facultative reinsurance whereas Form 24 includes, direct, facultative and treaty reinsurance. Thus Form 24 does not agree directly with Form 34.

2408 Reinsurance creditors

Reinsurance creditors identified as time-barred amounting to £340,000 have been written back to the technical account as follows:

Class	Form 24				Total per HMT return £'000
	1 £'000	3 £'000	6 £'000	9 £'000	
Form:					
Form 24.43.29	-	-	-	(340)	(340)

Time bar analysis on remaining liabilities will continue on an ongoing basis.

2409 Reconciliation of administration and other costs in the return to those in the financial statements

The following expenses and other costs included in the financial statements as

Administrative expenses	542
Items arising from the run off of the WF Portfolio of business	(12)
Decrease in provision for doubtful debts	243
	<hr/>
	773

have been included in the return as administrative expense on Form 24.43.98 (accounting class 9).

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary notes to Form 25

2504 Surplus for offset

On 9 October 1980, the company was given a concession by the Department of Trade and Industry to account for certain classes of business on a three year basis.

Under the new regulations, this business is now accounted for on an underwriting year basis. Accordingly, the company considers the classes of business as being managed together.

2507 Reconciliation of Form 25 to Form 34

Form 34 relates to direct and facultative reinsurance whereas Form 25 includes direct, facultative and reinsurance. Thus Form 25 does not directly agree with Form 34.

2508 Provision for future claims handling costs

As explained in note 2404, a provision of £850,000 has been made for future claims handling costs, net of anticipated investment income. This provision has been allocated between underwriting years and accident years by reference to the value of outstanding claims. The provision has been included in this return as follows:

Class	Form 25				Form 22			Total per return
	1	3	6	9	1	6	7	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Provision for future claims handling costs	4	178	5	538	39	26	60	850

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary note to Form 28

2801 Amounts Brought Forward

Amounts brought forward differ from the amounts carried forward due to exchange movements.

Returns under Insurance Companies Legislation

Notes to the Return

AA MUTUAL INTERNATIONAL INSURANCE COMPANY LIMITED

GLOBAL BUSINESS

Financial year ended 31 December 1999

Supplementary note to Form 29

2901 Surplus for offset

On 9 October 1980, the company was given a concession by the Department of Trade and Industry to account for certain classes of business on a three year basis.

Under the new regulations this business is now accounted for on an underwriting year basis. Accordingly, the Company considers the classes of business as being managed together.