

STANDARD LIFE HEALTHCARE LIMITED
(formerly Prime Health Limited)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 15 NOVEMBER 2000

(Registered Number: 2123483)

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Standard Life Healthcare Limited
(formerly Prime Health Limited)

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Standard Life Healthcare Limited
(formerly Prime Health Limited)

Directors and Officers

Chairman

A.S. Bell, CBE FFA DLitt

Directors

T.R. Bailey, BA ACA*

M. Cereste, OMRI FLinstD MBA

S. Douglas, BSc FFA*

M.A. Hall, DMS MBA MIMgt*

I.C. Lumsden, MA FFA

R.W. Watts*

P. Wright, BA MCIM*

Secretary

T.R. Bailey, BA ACA*

Registered Office

Wey House

Farnham Road

Guildford

Surrey

GU1 4XS

Auditors

PricewaterhouseCoopers

10 Bricket Road

St Albans

Herts

AL1 3JX

* Executive Director

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Chairman's Statement

In 2000 there was again very little growth in the overall size of the PMI market, and competition for business therefore continued to be fierce. Despite this I am pleased to report we achieved a higher level of new business than that of 1999, and our in force premium income increased by just over 10% to £156.5M at 15 November 2000.

I am also pleased to report that the Company's underwriting result was greatly improved in 2000 by a combination of pricing and benefit adjustments and improved control over our claims costs. I confidently expect the result will improve further in future years as a result of our continuing efforts to control our claims costs, thereby ensuring our customers continue to receive the best possible value for money.

Staff

I am very grateful to all our staff for their hard work, dedication and commitment throughout the year, and I congratulate them on the high quality service they provide to all our customers.

Board

I would like to thank and congratulate Mike Hall and his fellow Executive Directors for their leadership and hard work, and their success in improving the Company's financial results.

I warmly welcome Marco Cereste to the Board. Marco joined us as a Non-Executive Director in April and brings with him valuable experience of the healthcare industry, particularly of the relationship between the public and private sectors.

Future

Although I have little doubt that the private medical insurance market will remain competitive, I am confident that we can continue to increase our market share by offering a first class range of products supported by our commitment to excellent customer service.

A S Bell
Chairman

Managing Director's Report

As expected, the year 2000 saw the continuation of a flat market for private medical insurance (PMI). However, we have managed to maintain our market position as the fourth largest PMI insurer and our market share is expected to have grown slightly.

Our in-force premium income grew by over 10% and our sales through the intermediary channel grew by 20% over 1999. Whilst we have again increased premiums in line with our claims experience, we continue to provide excellent value for money for our customers.

In April 2000, our name changed from Prime Health Limited and the alignment of our brand will assist us in maximising the benefits of being part of the Standard Life Group.

Our significantly improved financial performance is the result of the work of the past two years in re-aligning prices realistically and concentrating on lowering costs for the benefit of our customers.

Quality remains paramount to our business strategy and we have continued to improve the service standards offered to our customers throughout the year and have maintained our ISO 9002 accreditation and grade 'A' sales compliance rating from the Association of British Insurers (ABI).

Our financial and service improvements have only been possible as a result of the dedication, commitment and enthusiasm of our staff. They have all worked extremely hard throughout the year and I would like to thank and congratulate them all.

Development

2000 has seen significant improvements in our business with financial performance strengthening and service levels to customers improving. We successfully implemented the Y2K changes to our computer systems and also introduced our new claims system to the first of our customer care teams.

The launch of a cash plan and Choices (a unique plan with low premiums and a treatment information service in exchange for high excess levels) maintains our reputation for innovation. Indeed, Choices won the Health Insurance award for product innovation.

Managing Director's Report (continued)

We have been successful in our negotiations with hospitals in respect of charges and this has led to the implementation of revised hospital lists for individual customers, with corporate customers commencing early in 2001. The revised lists reflect the strengthening partnerships with the majority of our hospital providers and represent maximum value for money and choice of hospital for our customers. Our customers can now choose which hospitals they wish to be covered for and will pay a premium that reflects the costs of the hospitals concerned.

Staff

The importance of our staff to the success of our business strategy cannot be underestimated. Accordingly, we have continued to ensure that we offer competitive salary and benefits, together with a working environment conducive to high morale and customer satisfaction.

Our Customer Service Excellence Programme continues to evolve to maintain and enhance the skills and talents of our people and we have commenced a development programme for our managers.

Feedback from our staff underlines the progress that we have made over the year with increased morale and job satisfaction. This is reflected in our improved performance and will help ensure that this continues into the future.

The Future

The long-term prospects for private medical funding remain good. The distinctions between public and private provision are becoming less defined and our own research confirms a greater willingness to make private provision for healthcare.

Our business strategy is already proving successful and will deliver greater value over the next year.

We have enthusiastically endorsed the recommendations of the Office of Fair Trading and are taking a leading role within the industry in implementing improvements for customers. We were one of the first insurers to join the new General Insurance Standards Council (GISC), which is in the process of taking over the responsibility for regulation of all general insurance business from the ABI.

I am confident that we enter 2001 with a strategy and spirit that will see further significant improvements in every aspect of our business.

M A Hall
Managing Director

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Report by the Directors

The directors present their Report and the Accounts for the year ended 15 November 2000.

Principal activity and business review

The principal activity of the Company is the undertaking of general insurance business in the United Kingdom, particularly the provision and administration of medical and other health insurance products.

In 2000 the Company's gross written premiums grew by nearly 12% over 1999, and the amount of the in force portfolio increased to £156.5 million. There was also a significant improvement in the financial result with the loss for the year reducing to £1.8 million before tax, mainly due to an improvement in the claims ratios and a reduction in the amounts spent on special projects.

In order to support the growth in the Company's business, its parent, The Standard Life Assurance Company, subscribed for an additional 16 million ordinary shares of £1 each at par during the year. The consideration for the shares was satisfied by the transfer to the Company of £16.0 million in cash.

Change of Name

The Company changed its name from Prime Health Limited to Standard Life Healthcare Limited on 3 April 2000.

Results and transfers to reserves

The results for the year are set out on pages 9 and 10.

Directors

The names of the current directors are listed on page 2. Mr M Cereste was appointed as a Director on 15 April 2000.

The appointment of directors is not subject to retirement by rotation. None of the directors has a beneficial interest in the shares of the company, which is a wholly owned subsidiary of The Standard Life Assurance Company.

Employees

The Company is committed to an equal opportunities policy. The sole criterion for selection or promotion is the suitability of any applicant for the job regardless of ethnic origin, religion, sex, marital status or disablement. The Company will continue to employ, arrange for retraining, or retire on disability pension, any member of staff who becomes disabled, as may be appropriate.

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Report by the Directors (continued)

Employee Involvement

It is the Company's policy to have effective communication and consultation with staff. Staff involvement is achieved through meetings, briefings and newsletters which help to ensure that staff are fully aware of the organisation's goals and results. In addition, staff representatives are elected to the Staff Consultative Committee which meets four times a year with management to discuss formally matters of general staff interest or concern. Minutes of these meetings are made available to staff.

Supplier payment policy

It is the Company's policy to negotiate payment terms with principal suppliers and to pay in accordance with the terms agreed. For other suppliers, where goods and services have been supplied to specification, payment is made in accordance with the terms offered by the supplier. The average duration of amounts owing to suppliers at 15 November 2000 was 15 days (1999:22 days).

Charitable and political donations

During the year the Company made no donations for charitable purposes. No contributions were made for political purposes.

Auditors

The auditors PricewaterhouseCoopers, Chartered Accountants, are willing to continue in office.

On behalf of the Board of Directors.

T R Bailey
Secretary
31 January 2001

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which comply with the Companies Act 1985 and give a true and fair view of the state of affairs of the Company and of the results of the Company for that period. In addition, the directors should take all reasonable steps to ensure that adequate accounting records are maintained, that the assets of the Company are safeguarded and that fraud and other irregularities are prevented or detected.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts of the Company for the year ended 15 November 2000. The directors also confirm that the accounts have been appropriately prepared on a going concern basis and that applicable accounting standards have been followed as described in the Accounting Policies.

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Profit and Loss Account for the year ended 15 November 2000

Technical Account - General Business

		2000	1999
	Notes	£'000	£'000
Earned premiums, net of reinsurance			
Gross premiums written	2	155,637	139,029
Outward reinsurance premiums		(667)	(16,380)
		<hr/>	<hr/>
		154,970	122,649
Change in the provision for unearned premiums - gross amount		(6,713)	(5,349)
- reinsurers' share		(5,600)	(5,672)
		<hr/>	<hr/>
		142,657	111,628
		<hr/>	<hr/>
Claims incurred, net of reinsurance			
Claims paid - gross amount		114,691	99,470
- reinsurers' share		(8,865)	(19,100)
		<hr/>	<hr/>
		105,826	80,370
		<hr/>	<hr/>
Change in the provision for claims - gross amount		(3,216)	17,323
- reinsurers' share		5,674	(1,888)
		<hr/>	<hr/>
		2,458	15,435
		<hr/>	<hr/>
		108,284	95,805
		<hr/>	<hr/>
Change in other technical provision		(800)	800
Net operating expenses	3	42,227	39,765
		<hr/>	<hr/>
Balance on the technical account for general business		<hr/> (7,054) <hr/>	<hr/> (24,742) <hr/>

All of the amounts above are in respect of continuing operations.

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Non-Technical Account

		2000	1999
	Notes	£'000	£'000
Balance on the general business technical account		(7,054)	(24,742)
Investment income	4	6,007	4,293
Unrealised loss on investments	4	(656)	(1,694)
Other expenses		(103)	(59)
Loss on ordinary activities before tax		(1,806)	(22,202)
Tax on loss on ordinary activities	5	-	773
Loss for the year		(1,806)	(21,429)

All of the amounts above are in respect of continuing operations.

The Company has no recognised gains or losses other than the loss for the year.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Balance Sheet as at 15 November 2000

		2000	1999
	Notes	£'000	£'000
ASSETS			
Investments	8	45,823	46,329
Reinsurers' share of technical provisions			
Provision for unearned premiums		252	5,852
Claims outstanding		1,935	7,609
		<u>2,187</u>	<u>13,461</u>
Debtors			
Debtors arising out of direct insurance operations			
- policyholders		55,606	49,590
- reinsurers		77	-
Other debtors	9	713	1,882
		<u>56,396</u>	<u>51,472</u>
Other assets			
Tangible assets	10	855	5,617
Cash at bank and in hand		61,572	36,167
		<u>62,427</u>	<u>41,784</u>
Prepayments and accrued income			
Accrued interest and rent		1,156	788
Deferred acquisition costs		11,091	9,362
Other prepayments and accrued income		715	641
		<u>12,962</u>	<u>10,791</u>
TOTAL ASSETS		<u>179,795</u>	<u>163,837</u>

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Balance Sheet as at 15 November 2000

		2000	1999
	Notes	£'000	£'000
LIABILITIES			
Capital and reserves			
Called up share capital	11	108,000	92,000
Profit and loss account	12	(51,697)	(49,891)
		<hr/>	<hr/>
Shareholder's funds - equity interests		56,303	42,109
		<hr/>	<hr/>
Technical provisions			
Provision for unearned premiums		75,994	69,281
Claims outstanding	13	40,876	44,192
Other provisions - unexpired risks		-	800
		<hr/>	<hr/>
		116,870	114,273
		<hr/>	<hr/>
Provisions for other risks and charges			
Policyholders Protection Board levy provision	14	394	304
		<hr/>	<hr/>
Creditors			
Creditors arising out of direct insurance operations		-	183
Other creditors including taxation and social security	16	3,990	4,107
		<hr/>	<hr/>
		3,990	4,290
		<hr/>	<hr/>
Accruals and deferred income		2,238	2,861
		<hr/>	<hr/>
TOTAL LIABILITIES		179,795	163,837
		<hr/>	<hr/>

On behalf of the Board of Directors.

A S Bell
Chairman
31 January 2001

Notes to the Accounts

1. Accounting policies

(a) Basis of presentation

The accounts have been prepared in accordance with the provisions of Section 255A, and Schedule 9A, to the Companies Act 1985, which cover the disclosures applicable to insurance companies.

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and the Association of British Insurers' Statement of Recommended Practice on Accounting for Insurance Business issued in December 1998.

(b) Technical account

Premiums due on monthly paid policies, together with the related commission, are accounted for on an annual premium income basis.

Unearned premiums represent that proportion of premiums accounted for in periods up to the accounting date which are attributable to subsequent periods.

Claims incurred comprise claims paid in the year and changes in the provision for outstanding claims, whether reported or not, together with any other adjustment to claims from previous years. Where applicable, deductions are made for reinsurance and other recoveries.

Outstanding claims comprise provisions for the claims and associated expenses incurred up to, but not paid at, the balance sheet date, whether reported or not.

Commission is deferred on the same basis as unearned premiums and is dealt with in the revenue account within acquisition costs and in the balance sheet within deferred acquisition costs.

Costs, other than commission, attributable to the acquisition and processing of new and renewal business have been deferred on the same basis as commission.

(c) Acquisition Costs

Acquisition costs represent commission and other costs relating to acquiring business throughout the year. Acquisition costs that relate to earned premiums in the future periods are deferred until that period.

(d) Unexpired Risk

Where expected claims, and associated expenses, exceed unearned premiums a provision is created to ensure the deficiency is covered. The expected claims are calculated with regard to forecast claims incidence and cost.

Notes to the Accounts (continued)

1 Accounting policies (continued)

(e) Investment income and investments

Investment income consists of interest on deposits and fixed interest securities. Gains or losses arising from the realisation of, and changes in the market value of, investments are taken directly to the non-technical account. Realised gains and losses on investments are calculated as the difference between net sale proceeds and their original cost.

Long term unlisted investments and loans are included at the directors' valuation. Investments that mature within one year have been included at net realisable value.

(f) Pension costs

The Company is a member of the parent undertaking's defined benefit scheme.

Charges in respect of employer's contributions are calculated on a basis which spreads the cost over the service lives of scheme members (see note 15).

(g) Tangible assets

Tangible assets are capitalised and depreciated by equal instalments over their estimated useful lives which range from 3 to 10 years. The depreciation rates are:

Computer equipment	33.3%
Fixtures and fittings	between 10% and 20%
Motor vehicles	25.0%

All computer equipment was transferred to the parent undertaking on 15 May 2000, at net book value.

(h) Operating leases

Rentals payable under operating leases are charged to the profit and loss account as incurred over the lease term.

(i) Deferred Tax

Deferred tax is provided on all material timing differences unless the liability is unlikely to become payable in the foreseeable future.

(j) Cashflow Statement

A Cashflow Statement has not been provided as the Company has taken advantage of the exemption contained in Financial Reporting Standard 1 (Revised) "Cashflow Statements" as consolidated accounts in which the Company is included are publicly available (see note 20).

2 Segmental analysis

There is only one class of business, that of accident and health general insurance. During the year the company had no significant activities outside the United Kingdom. Accordingly, no segmental information is disclosed.

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Notes to the Accounts (continued)

3 Net operating expenses

	2000 £'000	1999 £'000
Charge / (credit) in the year:		
Acquisition costs	17,497	16,447
Change in deferred acquisition costs	(1,729)	(1,307)
Administration expenses	26,476	27,800
Policyholders Protection Board levy	90	(399)
Reinsurance commission	(107)	(2,776)
	<hr/> 42,227	<hr/> 39,765

Administration expenses for 2000 include £4.0 million (1999: £5.7 million) in respect of new computer systems and £0.3 million (1999: £0.8 million) on Year 2000 systems conversion.

	2000 £'000	1999 £'000
The loss is after charging:		
Depreciation	1,482	2,180
Other operating leases	1,672	1,854

The remuneration and expenses of the auditors for the audit of the accounts was £35,000 (1999: £34,000). Their remuneration in respect of other work was £4,000 (1999: £4,000).

Total commission accounted for by direct insurance during the year, excluding payments to employees, amounted to £9,660,000 (1999: £8,637,000).

4 Investment return summary

	2000 £'000	1999 £'000
Investment income		
Income from other investments		
Listed	3,254	3,232
Deposits	2,753	1,061
	<hr/> 6,007	<hr/> 4,293
Unrealised loss on investments	(656)	(1,694)
Total investment return	<hr/> 5,351	<hr/> 2,599

5 Tax on loss on ordinary activities

	2000 £'000	1999 £'000
Group tax relief	-	852
Group tax relief - previous year adjustment	-	(79)
	<hr/> -	<hr/> 773

A potential deferred tax asset of £1 million (1999: £11.7 million), arising from Corporation Tax losses, has not been recognised. The decrease represents losses surrendered as group relief for nil consideration to other group companies.

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Notes to the Accounts (continued)

6 Staff costs

The average number of employees during the year was as follows:	2000	1999
Administration	352	340
Claims	103	69
Sales and marketing	121	128
	<hr/>	<hr/>
	576	537

Aggregate remuneration payable in respect of employees	2000	1999
	£'000	£'000
Wages and salaries	12,466	11,600
Social security costs	970	926
Other pension costs	1,802	1,542
	<hr/>	<hr/>
	15,238	14,068

7 Directors' emoluments

	2000	1999
	£'000	£'000
Fees to non-executive directors	7	3
Other emoluments	587	461
	<hr/>	<hr/>
	594	464

Retirement benefits are accruing to four directors under a defined benefit scheme operated by the parent undertaking. Contributions in respect of non-executive directors of the company are met by the parent undertaking.

The emoluments of the highest paid director (excluding pension contributions) were £215,000 (1999:£195,000)

The accrued pension at the end of the year for the highest paid director was £9,013 (1999: £8,725)

8 Investments

	2000	1999
	£'000	£'000
Valuation		
Listed	45,673	46,329
Unlisted, at directors' valuation and cost	150	-
	<hr/>	<hr/>
	45,823	46,329
Cost		
Listed	44,328	44,328
Unlisted, at directors' valuation and cost	150	-
	<hr/>	<hr/>
	44,478	44,328

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Notes to the Accounts (continued)

9 Other debtors

	2000 £'000	1999 £'000
Amount due from parent undertaking	-	804
Other debtors	713	1,078
	<u>713</u>	<u>1,882</u>

10 Tangible assets

Cost	Computer equipment £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
At 16 November 1999	7,788	864	713	9,365
Additions	336	106	168	610
Disposals	-	(39)	(205)	(244)
Transfers	(8,124)	-	-	(8,124)
	<u>-</u>	<u>931</u>	<u>676</u>	<u>1,607</u>
Depreciation				
At 16 November 1999	3,194	327	227	3,748
Charge for year	1,164	174	144	1,482
Disposals	-	(33)	(87)	(120)
Transfers	(4,358)	-	-	(4,358)
	<u>-</u>	<u>468</u>	<u>284</u>	<u>752</u>
Net book amount				
At 15 November 2000	-	463	392	855
At 15 November 1999	<u>4,594</u>	<u>537</u>	<u>486</u>	<u>5,617</u>

11 Share capital

	2000 £'000	1999 £'000
Authorised	150,000	100,000
Allotted, called up and fully paid		
108,000,000 ordinary shares of £1 each (1999: 92,000,000)	<u>108,000</u>	<u>92,000</u>

16 million ordinary shares of £1 each were issued to The Standard Life Assurance Company at par during the year. The consideration for this was £16.0 million in cash.

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Notes to the Accounts (continued)

12 Profit and loss account

	£'000
At 16 November 1999	(49,891)
Loss for the year	(1,806)
	<hr/>
At 15 November 2000	(51,697)
	<hr/>

13 Claims outstanding

	2000 £'000	1999 £'000
Gross claims outstanding	39,976	43,192
Claims handling provision	900	1,000
	<hr/>	<hr/>
	40,876	44,192
	<hr/>	<hr/>

14 Provisions for liabilities and charges

	PPB Levy £'000	Total £'000
Beginning of year	304	304
Charged in arriving at profit and loss on ordinary activities	90	90
	<hr/>	<hr/>
End of year	394	394
	<hr/>	<hr/>

15 Pensions

The parent undertaking operates a pension scheme for its employees and those of its subsidiaries providing benefits based on final pensionable pay. The contributions to the scheme are determined by qualified actuaries employed by the parent undertaking using the projected unit credit method.

Full details of the parent undertaking's pension scheme are contained in the financial statements of Standard Life Assurance Company.

16 Other creditors including taxation and social security

	2000 £'000	1999 £'000
Amounts owed to parent or fellow subsidiary	290	17
Trade creditors	606	1,110
Insurance premium tax	2,048	1,837
Other creditors	1,046	1,143
	<hr/>	<hr/>
	3,990	4,107
	<hr/>	<hr/>

All creditors are payable within a period of one year from the balance sheet date.

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Notes to the Accounts (continued)

17 Obligations under operating leases

At 15 November 2000 the Company had annual commitments under operating leases as set out below:

	Land and buildings £'000	Other £'000
Operating leases which expire:		
Within one year	83	10
In the second to fifth years inclusive	1,335	7
	<hr/>	<hr/>
	1,418	17

18 Reconciliation of movements in shareholder's funds

	2000 £'000	1999 £'000
Opening shareholder's funds	42,109	36,538
Loss for the year	(1,806)	(21,429)
Shares issued during the year	16,000	27,000
	<hr/>	<hr/>
Closing shareholder's funds	56,303	42,109

19 Related party transactions

The Company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 8 from disclosing transactions with other undertakings of the Standard Life Group.

20 Parent undertaking

The Company is a wholly owned subsidiary of The Standard Life Assurance Company .

Copies of the accounts of the parent undertaking can be obtained at 30 Lothian Road, Edinburgh EH1 2DH.

Standard Life Healthcare Limited
(formerly Prime Health Limited)

Auditors' Report to the members of Standard Life Healthcare Limited

We have audited the financial statements on pages 9 to 19 which have been prepared in accordance with the accounting policies set out on pages 13 and 14.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 8, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 15 November 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
St Albans
31 January 2001

**THE RELIANCE FIRE AND ACCIDENT
INSURANCE CORPORATION LIMITED**

**RETURNS UNDER INSURANCE COMPANIES LEGISLATION
FOR THE YEAR ENDED 31 DECEMBER 2000**

SCHEDULE 1 Forms 9 to 13, 15 and 16

SCHEDULE 2 Forms 20, 22, 23 and 33

SCHEDULE 6 Directors' and Auditors' Certificates