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**BUDGET INSURANCE COMPANY LIMITED**

**Amended Return to the Friendly Societies Division of the  
Financial Services Authority  
FOR THE YEAR ENDING  
30<sup>th</sup> JUNE 1999**

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Return to the Friendly Societies Division of the Financial Services Authority

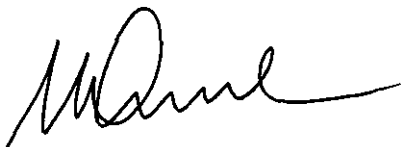
**Form 9**

**Covering sheet to Form 9**

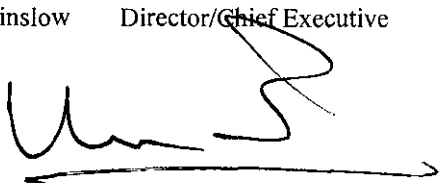
Name of company                      Budget Insurance Company Limited

Global business

Financial year ended 30<sup>th</sup> June 1999

A handwritten signature in black ink, appearing to read 'P A Winslow', written in a cursive style.

P A Winslow      Director/Chief Executive

A handwritten signature in black ink, appearing to read 'I R Leech', written in a cursive style with a long horizontal stroke at the end.

I R Leech              Director/Company Secretary

**Statement of solvency**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Company registration number GL/UK/CM day month year units

R9	2593721	GL	30	06	1999	£000
	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	10,979	17,838	See instructions 1 and 2
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**Required minimum margin**

Required minimum margin for general business	12	4,452	6,089	
Excess (deficiency) of available assets over the required minimum margin (11-12)	13	6,527	11,749	

**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	-	-	

**Required minimum margin**

Required minimum margin for long term business	41	-	-	
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

## Statement of net assets

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Company registration number GL/UK/CM 2593721  
 Period ended day month year 30 06 1999 units

R10	2593721	GL	30	06	1999	£000
	As at the end of this financial year	As at the end of the previous year	Source			
	1	2	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	62,999	13.	89.		1
Other than Long term business - liabilities	22	53,133	15.	69.		1
Net admissible assets (21-22)	23	9,866				
Other assets allowed to be taken into account in covering the required minimum margin	24	-				
Unpaid amounts (including share premium) on partly paid shares	25	-				
Supplementary contributions for a mutual carrying on general business	26	1,113				
Liabilities allowed to be left out of account in covering the required minimum margin	27	-				
Subordinated loan capital	28	-				
Cumulative preference share capital	29	10,979				
Available assets (23 to 27)		17,838				

## Represented by :

Paid up share capital (other than cumulative preference share capital)	51	15,600	33,600		
Amounts included in lines 24 to 27 above	52	1,113	1,522		
Amounts representing the balance of net assets	56	(5,734)	(17,284)		
Total (51 to 56) and equal to line 29 above	59	10,979	17,838		

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

Balance brought forward at the beginning of the financial year	61	(17,284)	(19,077)	Annual Form 10. 56.	1.
Retained profit/(loss) for the financial year	62	358	619	16. 59.	1
Movement in asset valuation differences	63	(6,809)	1,174	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	18,000	-		
Balance carried forward at the end of the financial year (61 to 65)	69	(5,735)	(17,284)		

**General business : Calculation of required margin of solvency - first method**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

			Company registration number	GK/ UK/C	day month year	Units	
			R11	2593721	GL	30 06 1999	£000
						This financial year	Previous year
						1	2
Gross premiums receivable			11			5,720	36,048
Premium taxes and levies (included in line 11)			12			-	-
Sub-total A (11-12)			13			5,720	36,048
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			1,030	1,228
		Excess (if any) over 10M ECU x 16/100	16		-	4,676	
	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		1,030	5,904
		Claims paid		21		22,322	37,338
Claims outstanding carried forward at the end of the financial year	For business accounted for on an underwriting year basis		22			-	
	For business accounted for on an accident year basis		23		49,206	65,322	
Claims outstanding brought forward at the beginning of the financial year	For business accounted for on an underwriting year basis		24		-	-	
	For business accounted for on an accident year basis		25		65,322	64,951	
Sub-total C (21+22+23-(24+25))			29			6,206	37,709
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			30			7,380	45,305
Sub-total D (29-30)			39			(1,174)	(7,596)
First result							
Sub-total B x Sub-total D (or, if 1/2 is a greater fraction, x 1/2) Sub-total C			41			515	2,952

**General business : Calculation of required margin of solvency - second method, and statement of required minimum margin**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

		Company - GL/UK/CM number	Period ended day month year	units
		R12	2593721	GL 30 06 1999 £000
		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	99,435	103,878
Claims outstanding carried forward at the end of the reference period	For business accounted for on an underwriting year basis	22	-	-
	For business accounted for on an accident year basis	23	49,206	65,322
Claims outstanding brought forward at the beginning of the reference period	For business accounted for on an underwriting year basis	24	-	-
	For business accounted for on an accident year basis	25	34,447	12,230
Sub-total E (21+22+23-(24+25))		29	114,194	156,970
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)		31	38,065	52,323
Division of Sub-total F	Other than health insurance	32	1,284	1,242
		33	7,619	10,936
	Health insurance	34	-	-
		35	-	-
Sub-total G (32 to 35)		39	8,903	12,178
Second result Sub-total G x Sub-total D ( or, if 1/2 is a greater fraction, x 1/2) Sub-total C		41	4,452	6,089
First result		42	515	2,952
Required margin of solvency (the higher of lines 41 and 42)		43	4,452	6,089
Minimum guarantee fund		44	282	273
Required minimum margin (the higher of lines 43 and 44)		49	4,452	6,089

## Analysis of admissible assets

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Category of assets Total other than long term business assets

		Company registration number	GL/UK/C	Period ended day month year			units	Category of assets	
		R13	2593721	GL	30	06	1999	£000	1
Investments								As at the end of this financial year 1	As at the end of the previous year 2
Land and buildings						11	0	0	
Investments in group undertakings and participating interests	UK insurance dependents	Shares				21	0	0	
		Debt securities issued by, and loans to, dependents				22	0	0	
	Other insurance dependents	Shares				23	0	0	
		Debt securities issued by, and loans to, dependents				24	0	0	
	Non- insurance dependents	Shares				25	0	0	
		Debt securities issued by, and loans to, dependents				26	0	0	
	Other group undertakings and participating interests	Shares				27	0	0	
		Debt securities issued by, and loans to, group undertakings				28	0	0	
		Shares				29	0	0	
		Debt securities issued by, and loans to, undertakings in which the company has a participating interest				30	0	0	
Total sheet 1 (11 to 30)						39	0	0	

## Analysis of admissible assets

Name of company Budget Insurance Company Limited

Global business

Category of assets Total other than long term business assets

Category of assets		Company registration number	GK/UK/C	Period ended day month year	Units	Category of assets	
		R13	2593721	GL	30 06 1999	£000	1
Investments (continued)					As at the end of this financial year	As at the end of the previous year	
Deposits with ceded undertakings					1	2	
Assets held to cover linked liabilities					1	2	
Other financial investments	Equity shares			41	0	0	
	Other shares and other variable yield securities			42	0	0	
	Holdings in collective investment schemes			43	0	0	
	Rights under derivative schemes			44	0	0	
	Debtor securities and other fixed income securities	Fixed interest	Approved securities	45	0	0	
			Other	46	0	0	
		Variable interest	Approved securities	47	0	0	
			Other	48	0	0	
	Participation in investment pools			49	0	0	
	Loans secured by mortgages			50	0	0	
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51	0	0	
		Loans secured by policies of insurance issued by the company		52	0	0	
		Other		53	0	0	
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	10,798	58,492	
		Withdrawal subject to a time restriction of more than one month		55	0	0	
Other			56	0	0		
Deposits with ceded undertakings				57	0	0	
Assets held to match linked liabilities	Index linked		58	0	0		
	Property linked		59	0	0		
Assets held to match linked liabilities	Provision for unearned premiums		60	0	63		
	Claims outstanding		61	48,809	58,980		
	Provision for unexpired risk		62	0	0		
	Other		63	0	0		
Total sheet 2 (41 to 63)				69	59,607	117,535	



## Analysis of admissible assets

Name of company Budget Insurance Company Limited

Global business

Category of assets Total other than long term business assets

Category of assets		Company registration number	GK/UK/C	Period ended day month year	Units	Category of assets
R13		2593721	GL	30 06 1999	£000	1
Debtors				As at the end of this financial year		As at the end of the previous year
Other assets				1		2
Debtors arising out of direct insurance operations				71	0	0
Policyholders				72	0	2,527
Intermediaries				73	0	0
Salvage and subrogation recoveries				74	1,389	0
Debtors arising out of reinsurance operations				75	1,061	71
Due from ceding insurers and intermediaries under reinsurance business accepted				76	0	0
Due from ceding insurers and intermediaries under reinsurance contracts ceded				77	0	0
Due in 12 months or less after the end of the financial year				78	361	198
Due more that 12 months after the end of the financial year				79	0	0
Due in 12 months or less after the end of the financial year				80	0	0
Due more that 12 months after the end of the financial year				81	81	0
Tangible assets				82	0	0
Cash at bank and in hand				83	0	0
Deposits not subject to time restrictions on withdrawal, with approved credit institutions and approved financial institutions and local authorities				84	0	0
Cash in hand				85	0	0
Other assets (particulars to be specified by way of supplementary note)				86	500	89
Accrued interest and rent				87	0	0
Deferred aquistion costs				88	3,392	2,885
Other prepayments and accrued interest				89	62,999	120,420
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				91	62,999	120,420
Total sheet 3 (71 to 86 less 87)				92	7,070	0
Grand total of admissable assets (39+69+88)				93	0	0
Reconciliation to asset values determined in accordance with the shareholder account rules				94	0	261
Total admissable assets (as per line 89 above)				95	0	0
Total assets in excess of the admissability limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissability limits)				99	70,069	120,681
Solvency margin deduction for insurance dependants				100	200	0
Other differences in the valautaion of assets (other than for assets not valued above)						
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)						
Total assets determined in accordance with the shareholders accounts rules (91 to 95)						
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance						

**Liabilities (other than long term business)**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Company  
registration  
number

GK/ UK/C

Period ended  
day month year

Units

			R15	2593721	GL	30 06 1999	£000
						As at the end of this financial year	As at the end of the previous year
						1	2
Technical provisions (gross amount)	Provision for unearned premium				11	252	472
	Claims outstanding				12	49,406	65,322
	Provision for unexpired risks				13	-	-
	Equalisation provisions		Credit business		14	-	-
			Other than credit business		15	-	-
	Other				16	-	500
	Total (11 to 16)				19	49,658	66,294
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	-	-
			Reinsurance ceded		43	1,795	35,545
	Debenture loans		Secured		44	-	-
			Unsecured		45	-	-
	Amounts owed to credit institutions				46	30	-
	Other creditors		Taxation		47	-	321
			Recommended dividend		48	-	-
			Other		49	-	294
	Accruals and deferred income					51	-
Total (19 to 51)					59	51,483	102,454
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	1,650	1,650
Total (59 to 63)					69	53,133	104,104
Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance					71	-	58

**Profit and loss account (non-technical account)**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Company registration number GL/UK/CM 30 06 1999 units

R16		2593721	GL	30	06	1999	£000
		This Financial year	Previous year	Source			
		1	2	Form	Line	Column	
Transfer (to)/from the general business technical account	From Form 20	11	(293)	(314)	20.	59	
	Equalisation provisions	12	-	-			
Transfer from the long term business revenue account		13	-	-	40.	26	
Investment income	Income	14	608	4,330			
	Value re-adjustments on investments	15	-	-			
	Gains on the realisation of investments	16	-	-			
Investment charges	Investment management charges, including interest	17	-	-			
	Value re-adjustments on investments	18	-	-			
	Loss on the realisation of investments	19	-	-			
Allocated investment return transferred to the general business technical account		20	-	3,901	20.	51	
Other income and charges (particulars to be specified by way of supplementary note)		21	43	504			
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	358	619			
Tax on profit or loss on ordinary activities		31	-	-			
Profit or loss on ordinary activities after tax (29-31)		39	358	619			
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41	-	-			
Tax on extraordinary profit or loss		42	-	-			
Other taxes not shown under the preceding items		43	-	-			
Profit or loss for the financial year (39+41-(42+43))		49	358	619			
Dividends (paid and proposed)		51	-	-			
Profit or loss retained for the financial year (49-51)		59	358	619			

## Analysis of derivative contracts

Name of company Budget Insurance Company Limited

Global business

Business : Other than long term

Financial year ended 30th June 1999

Category of assets

		Company registration number	GL/ UK/C	Period ended day month year			Units	Category of assets
		R17	2593721	GL	' 30	06 1999	£000	1
					As at the end of this financial year		As at the end of previous year	
Derivatives contracts					Assets 1	Liabilities 2	Assets 3	Liabilities 4
Futures contracts	Fixed-interest securities	11			-	-	-	-
	Equity shares	12			-	-	-	-
	Land	13			-	-	-	-
	Currencies	14			-	-	-	-
	Other	15			-	-	-	-
Options	Fixed-interest securities	21			-	-	-	-
	Equity shares	22			-	-	-	-
	Land	23			-	-	-	-
	Currencies	24			-	-	-	-
	Other	25			-	-	-	-
Contracts of differences	Fixed-interest securities	31			-	-	-	-
	Equity shares	32			-	-	-	-
	Land	33			-	-	-	-
	Currencies	34			-	-	-	-
	Other	35			-	-	-	-
Adjustments for variation margin		41			-	-	-	-
Total (11 to 41)		49			-	-	-	-

**General business : Technical account (excluding equalisation provisions)**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting/business class Summary

			Company registration number	GL/UK/CM	Period ended			units	Accounting class / summary		
			R20	2593721		GL	30	06	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	4,564	25,057	21.	19.	5.		
	Claims incurred			12	3,714	19,577	22.	17.	4.		
	Claims management costs			13	225	1,048	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	1,373	6,045	22.	42.	4.		
	Balance of year's underwriting (11-12-13+14-15+16-17)			19	(748)	(1,613)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium			21	(4,433)	(29,297)	21.	11.	5.		
	Claims incurred			22	(4,888)	(27,173)	22.	13.	4.		
	Claims management costs			23	-	478	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	455	(2,602)					
Balance from underwriting year accounting	Per Form 24			31	-	-					
	Other technical income and charges (particulars to be provided by way of supplementary note)			32	-	-					
	Total			39	-	-	24.	69.	99		
Balance of all years' underwriting (19+29+39)				49	(293)	(4,215)					
Allocated investment return				51	-	3,901					
Transfer to non-technical account (49+51)				59	(293)	(314)					

**General business : Technical account (excluding equalisation provisions)**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting/business class Motor

Company registration number			GL/UK/CM	Period ended			units	Accounting class / summary		
R20			2593721		GL	30	06	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	431	25,053	21.	19.	5.			
	Claims incurred	12	725	19,577	22.	17.	4.			
	Claims management costs	13	225	1,048	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	1,297	6,045	22.	42.	4.			
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(1,816)	(1,617)						
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21	(4,433)	(29,297)	21.	11.	5.			
	Claims incurred	22	(4,888)	(27,173)	22.	13.	4.			
	Claims management costs	23	-	478	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	455	(2,602)						
Balance from underwriting year accounting	Per Form 24	31	-	-						
	Other technical income and charges (particulars to be provided by way of supplementary note)	32	-	-						
	Total	39	-	-	24.	69.	99			
Balance of all years' underwriting (19+29+39)		49	(1,361)	(4,219)						
Allocated investment return		51	-	3,901						
Transfer to non-technical account (49+51)		59	(1,361)	(318)						

**General business : Technical account (excluding equalisation provisions)**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting/business class Non-proportional treaty

		Company registration number	GL/UK/CM	Period ended			units	Accounting class / summary	
		R20	2593721	GL	30	06	1999	£000	9
Items to be shown net of reinsurance				This Financial Year  1	Previous Year  2	Source			
						Form	Line	Column	
This year's underwriting (accident year accounting)	Earned premium	11	4,129	-	21.	19.	5.		
	Claims incurred	12	2,989	-	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	76	-	22.	42.	4.		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	1,064	-					
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	-	-					
	Other technical income and charges (particulars to be provided by way of supplementary note)	32	-	-					
	Total	39	-	-	24.	69.	99		
Balance of all years' underwriting (19+29+39)		49	1,064	-					
Allocated investment return		51	-	-					
Transfer to non-technical account (49+51)		59	1,064	-					

**General business : Technical account (excluding equalisation provisions)**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting/business class Household

Company registration number			GL/UK/CM	Period ended			units	Accounting class / summary		
R20			2593721		GL	30	06	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	4	4	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	4	4				
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	-	-				
	Other technical income and charges (particulars to be provided by way of supplementary note)			32	-	-				
	Total			39	-	-	24.	69.	99	
Balance of all years' underwriting (19+29+39)				49	4	4				
Allocated investment return				51	-	-				
Transfer to non-technical account (49+51)				59	4	4				



**General business (accident year accounting) : Analysis of premiums**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting /business class Summary

		Company registration number		GK/UK/CM		Period ended day month year		Units		Accounting Class	
		2593721		GL		30 06 1999		£000		99	
		Gross premiums written		Reinsurer's share				Net of reinsurance			
		R21		GL							
		Earned in previous financial years 1		Earned in previous financial years 3				Earned in previous financial years 5			
				4,433				(4,433)			
		Earned in this financial year 1		Earned in this financial year 3		Unearned at end of this financial year 2		Unearned at end of this financial year 4		Unearned at end of this financial year 6	
		11									
		In respect of risks incepted in previous financial years									
		12									
		In respect of risks incepted in previous financial years									
		13									
		For periods of less than 12 months									
		14									
		In respect of risks incepted in this financial year									
		15									
		For periods of more than 12 months									
		16									
		Premiums receivable ( less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year									
		19									
		Total (12 to 16)									

## General business (accident year accounting) : Analysis of premiums

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting /business class Motor

		Company registration number		GK/UK/CM		Period ended day month year		Units		Accounting Class	
R21		2593721		GL		30 06 1999		£000		2	
Gross premiums written				Reinsurer's share				Net of reinsurance			
Premiums receivable during the financial year		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	-	4,433				(4,433)			
			Earned in this financial year	Earned in this financial year		Unearned at end of this financial year		Earned in this financial year		Unearned at end of this financial year	
In respect of risks incepted in previous financial years		12	-	-		-		-		-	
For periods of less than 12 months		13	1,092	-		1,070		-		22	
For periods of 12 months		14	-	-		-		-		-	
For periods of more than 12 months		15	-	-		-		-		-	
Premiums receivable ( less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	472	-		63		-		409	
Total (12 to 16)		19	1,564	-		1,133		-		431	

### General business (accident year accounting) : Analysis of premiums

**Name of company**  
**Budget Insurance Company Limited**

## Global business

Financial year ended 30th June 1999

Accounting/business class Household

		R21	2593721	GL	30 06 1999	£000	6
		Gross premiums written		Reinsurer's share		Net of reinsurance	
Premiums receivable during the financial year		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	-		-		-	
		Earned in this financial year 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 this financial year 5	Unearned at end of this financial year 6
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	4	-	-	-	4	-
	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	4	-	-	-	4	-

## Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of premiums

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting/business class Non-proportional treaty

number											
R21		2593721		GL		30 06 1999		£000		9	
Gross premiums written				Reinsurer's share				Net of reinsurance			
Premiums receivable during the financial year				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		-		-			
						Unearned at end of this financial year 2		Earned in this financial year 3		Unearned at end of this financial year 4	
In respect of risks incepted in previous financial years				12		-		-		-	
In respect of risks incepted in this financial year				13		-		-		-	
				14		3,900		252		23	
				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		3,900		252		23	
								3,877		252	

**General business (accident year accounting) : analysis of claims, expenses and technical provisions**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting/business class Summary

		Company registration number	GL/ UK/CM	day	Period ended month year	Units	Accounting Class
		R22	2593721	GL	30 06 1999	£000	99
				Amount brought forward from previous financial year	Amount payable/receivable in this financial year to date	Amount carried forward to next financial year	Amount attributable to this financial year to date
				1	2	3	4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		65,322	18,938	48,142	1,758
	Reinsurers' share	12		58,980	-	-	-
	Net ( 11-12)	13		6,342	1,454	48,142	6,646
	Claims management costs	14				-	(4,888)
				500	350	150	-
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			3,384	1,064	4,448
	Reinsurers' share	16			247	487	734
	Net ( 15-16)	17			3,137	577	3,714
	Claims management costs	18			175	50	225
Provision for unexpired risks		19		-		-	-
Net operating expenses	Commissions	21		-	201	-	201
	Other acquisition expenses	22		-	-	-	-
	Administrative expenses	23			1,172		1,172
	Reinsurance commissions and profit participations	24		-	-	-	-
	Total ( 21+22+23-24)	29		-	1,373	-	1,373
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		-	1,373	-	1,373
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 provisions**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting/business class Motor

		Company registration number	GL/ UK/CM day	Period ended month year	Units	Accounting Class	
		R22	2593721	GL	30 06 1999	£000	2
				Amount brought forward from previous financial year	Amount payable/receivable in this financial year to date	Amount carried forward to next financial year	Amount attributable to this financial year to date
				1	2	3	4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		65,322	18,938	48,142	1,758
	Reinsurers' share	12		58,980	17,484	48,142	6,646
	Net ( 11-12)	13		6,342	1,454	-	(4,888)
	Claims management costs	14		500	350	150	-
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			972	487	1,459
	Reinsurers' share	16			247	487	734
	Net ( 15-16)	17			725	-	725
	Claims management costs	18			175	50	225
Provision for unexpired risks		19		-		-	-
Net operating expenses	Commissions	21		-	125	-	125
	Other acquisition expenses	22		-	-	-	-
	Administrative expenses	23			1,172		1,172
	Reinsurance commissions and profit participations	24		-	-	-	-
	Total ( 21+22+23-24)	29		-	1,297	-	1,297
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		-	1,297	-	1,297
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 provisions**

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Accounting/business class Non-proportional treaty

		Company registration number	GL/ UK/CM	day	Period ended month year	Units	Accounting Class
		R22	2593721	GL	30 06 1999	£000	9
				Amount brought forward from previous financial year	Amount payable/receivable in this financial year to date	Amount carried forward to next financial year	Amount attributable to this financial year to date
				1	2	3	4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		-	-	-	-
	Reinsurers' share	12		-	-	-	-
	Net ( 11-12)	13		-	-	-	-
	Claims management costs	14		-	-	-	-
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			2,412	577	2,989
	Reinsurers' share	16			-	-	-
	Net ( 15-16)	17			2,412	577	2,989
	Claims management costs	18			-	-	-
Provision for unexpired risks		19		-		-	-
Net operating expenses	Commissions	21		-	76	-	76
	Other acquisition expenses	22		-	-	-	-
	Administrative expenses	23					
	Reinsurance commissions and profit participations	24		-	-	-	-
	Total ( 21+22+23-24)	29		-	76	-	76
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		-	76	-	76
Split of line 39	Incidents occurring prior to this financial year	51		-		-	-
	Incidents occurring in this financial year	52				-	-

## Returns under Insurance Companies Legislation

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

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Risk group Motor

Financial year ended 30th June 1999																											
Risk group		Motor		Company registration number		GK/UK/CM		Period ended day month year		Units		Accounting Class															
				R23		2593721		GL		30 06 1999		£000	2														
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		Gross claims carried forward		Gross claims brought forward		Gross claims outstanding forward		Incurred but not reported (net)		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 %	
		1		2		3		4		5		6		7		8		9		10		11		12		13	
Month		Year																									
06		1999						725		-		0						725		-		431				168.2%	
06		1998		13235		6342		1454		-		-		5088		1254		(4,888)		-		20620		-77.1%		71.2%	
06		1997		17878		25172		9704		-		-		-		-		-		-		31135		-61.4%		88.6%	
06		1996		11194		19807		15140		-		-		-		-		-		-		26284		-23.6%		100.2%	
06		1995		6906		5450		7147		-		-		-		-		-		-		16844		-31.1%		83.4%	
06		1994		-		2306		3142		-		-		-		-		-		-		-		-36.3%		-	
06		1993		-		436		744		-		-		-		-		-		-		-		-70.6%		-	
-		-		-		-		-		-		-		-		-		-		-		-		-		-	
-		-		-		-		-		-		-		-		-		-		-		-		-		-	
-		-		-		-		-		-		-		-		-		-		-		-		-		-	
Prior accident years								-		-		-		-		-		-		-		-		-			
Reconciliation								-		-		-		-		-		-		-		-		-			
Total (11 to 22)								2179		-		0		5088		1254		(4,163)		-							



ccounting

**1**

<b>6</b>	<b>Claims ratio %</b>	<b>13</b>	- - - - - - - - -
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## General business (accident year accounting) : Analysis of net claims and premiums

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Risk group Non - proportional treaty

Financial year ended 30th June 1999																
Risk group    Non - proportional treaty																
Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at the 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	Gross claims carried forward		Gross claims outstanding		Balance on each accident year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Period ended day month year		Units	Accounting Class	
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)			30	06			1999
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
06	1999				2412		577			2989		4129		72.4%		
06	1998	-	-		-	-	-	-	-	-	-	-	-	-	-	-
06	1997	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
06	1996	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
06	1995	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
06	1994	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
06	1993	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior accident years						-	-	-	-	-	-					
Reconciliation						-	-	-	-	-	-					
Total ('11 to 22)						2412	-	577	-	-	2989					

Total (11 to 22)

## Returns under Insurance Companies Legislation

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

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Risk group Non - proportional treaty

Financial year ended 30th June 1999															
Risk group    Non - proportional treaty															
Accident year ended		Company registration number		GK/UK/CM		Period ended day month year		Monetary units		Business Category		Accounting Class		Currency	
		R26	2593721	GL	30	06	1999	£000	b0	09	AA				
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	
		Claims paid (net) during the accident year		Claims outstanding (net) as at the 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 carried forward Reported (net)		Claims outstanding forward Incurred but not reported (net)		Balance on each accident year (4+5+6-7-8)	
		Claims paid (net) during the accident year		Claims outstanding (net) as at the 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 carried forward Reported (net)		Claims outstanding forward Incurred but not reported (net)		Deduction for discounting from claims outstanding carried forward (net)	
06	1999	11			2412		577			2989		4129		72.4%	
06	1998	12													
06	1997	13													
06	1996	14													
06	1995	15													
06	1994	16													
06	1993	17													
-	-	18													
-	-	19													
-	-	20													
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29			2412		577			2989					

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

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Risk group Non - proportional treaty

		Company registration number		GK/UK/CM		Period ended day month year		Monetary units		Business Category		Accounting Class		Currency	
		R27		2593721		GL		£000		b0		09		AA	
Accident year ended		Claims outstanding forward		Claims brought forward		Claims outstanding forward but not reported (gross)		Deduction for discounting from claims outstanding carried forward (gross)		Earned premiums (gross)		Deterioration/(surplus) of original reserve %		Claims ratio %	
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	
06	1999				2412		577			2989		3900		76.6%	
06	1998														
06	1997														
06	1996														
06	1995														
06	1994														
06	1993														
-															
-															
-															
Prior accident years															
Reconciliation															
Total (11 to 22)					2412		577			2989					

## Property (Household & All Risks)

£ STERLING

Financial year ended 30th June 1999

Company registration	Period ended
GK/UK/CM	day month year

Country	Accounting Class
USA	1
USA	2
USA	3
USA	4
USA	5
USA	6
USA	7
USA	8
USA	9
USA	10
USA	11
USA	12
USA	13
USA	14
USA	15
USA	16
USA	17
USA	18
USA	19
USA	20
USA	21
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USA	180
USA	181

### Risk group

[illegible]

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

Currency £ STERLING

## Global business

Financial year ended 30th June 1999

Risk group	Motor Private Comprehensive
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
10	1
11	1
12	1
13	1
14	1
15	1
16	1
17	1
18	1
19	1
20	1
21	1
22	1
23	1
24	1
25	1
26	1
27	1
28	1
29	1
30	1
31	1
32	1
33	1
34	1
35	1
36	1
37	1
38	1
39	1
40	1
41	1
42	1
43	1
44	1
45	1
46	1
47	1
48	1
49	1
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Number																	
Accident year ended		Number of claims		Gross claims paid		Gross claims carried forward		Gross claims brought forward		R32	2593721	GL	30	06	1999	£000	AA
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	Balance on each accident year (4+5+6-7-8)	Gross earned premium	Claims ratio %	Vehicle years (000's)	Claims frequency			
		1	2	3	4	5	6	7	8	9	10	11	12	13			
06	1999	697	65		720	254	144			1118	1122	99.6%	4	19.4%			
06	1998	13232	532	11030	3047	3777	1830	6676	2747	(769)	20880	94.3%	62	22.2%			
06	1997	17527	280	18870	1998	4384	887	5650	796	823	25495	102.5%	69	25.8%			
06	1996	15880	108	18571	1355	3101	663	3826	690	603	21327	111.1%	59	27.1%			
06	1995	8363	20	9518	534	2797	(118)	3182	350	(319)	12506	101.8%	32	26.2%			
06	1994	5071	7	5538	157	308	(434)	495	204	(668)	-	-	-	-			
06	1993	433	0	401	122	0	(41)	61	17	3	-	-	-	-			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Prior accident years					-	-	-	-	-	-							
Total (11 to 21)			1012		7933	14621	2931	19890	4804		791						
Line 29 expressed sterling					7933	14621	2931	19890	4804		791						

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

Name of company	Budget Insurance Company Limited
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Currency £ STERLING

## Global business

Financial year ended 30th June 1999

**Risk group**      **Motor Private Non - Comprehensive**

Risk group Motor Private Non - Comprehensive																
number																
R32																
2593721 GL 30 06 1999 £000 AA																
Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)		Gross earned premium	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	9	10	11	12	13		
06	1999	101	29		137	140	64		8	341	445	76.6%	1	8.8%		
06	1998	4498	460	4177	2571	5433	1625	5924	3114	591	14594	94.0%	46	10.8%		
06	1997	12362	542	17553	4088	11824	1570	14052	1651	1779	29074	120.5%	91	14.2%		
06	1996	13327	235	22357	3297	7152	1326	9753	1645	377	25792	132.3%	86	15.8%		
06	1995	5688	35	9148	615	743	(97)	1274	615	(628)	12833	81.1%	40	14.3%		
06	1994	3008	5	4577	1256	1570	(392)	2028	312	94	-	-	-	-		
06	1993	338	3	519	13	146	(26)	232	28	(127)	-	-	-	-		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Prior accident years																
Total (11 to 21)		1309		11977		27008		4070		33263		7365		2427		
Line 29 expressed in sterling				11977		27008		4070		33263		7365		2427		

## Return to the Friendly Societies Division of the Financial Services Authority

### Notes to the Return

Name of Company            Budget Insurance Company Limited

Financial year ended 30<sup>th</sup> June 1999

### Form 9

#### Code 0901 – Modification to the Annual Return

In June 1999, the Treasury, on the application of the Company, made an Order under section 68 of the Insurance Companies Act 1982. The effect of the Order was to permit the Company to take deposits with certain approved credit institutions into account to a greater extent than specified by regulation 57 of, and Schedule 12 to, the Insurance Companies Regulations 1994.

#### Code 0902 – Section 68 : Permission to take into account implicit items on long term business

Not Applicable

### Form 10

#### Code 1001 – Reconciliation of net assets to accounts

Reconciliation of net assets	1999 £000	1998 £000
Net assets per the DTI Return		
Line 99 on Form 13	70,069	120,681
Line 59 on Form 15	(51,483)	(102,454)
Net assets	18,586	18,227
Difference	(1,650)	(1,650)
Capital and Reserves as per Shareholder Accounts	16,934	16,577

The difference above is attributable to hybrid capital.

#### Code 1002 – Reconciliation of net assets brought forward and carried forward

In accordance with the order of the High Court of Justice, Chancery Division, Companies Court dated 16 June 1999, share premium of £7,000,000 and £11,000,000 ordinary shares of £1 each were cancelled and a special reserve for £18,000,000 was created. The reserve will be applied against the accumulated deficit on the profit and loss account as at 30<sup>th</sup> June 1999.

#### Code 1003 – Section 68 order

The Secretary of State for Trade and Industry, in exercise of his powers under Section 68 of the Insurance Companies Act 1982 has allowed Budget Insurance Company Limited, for the purposes of calculating its margin of solvency, part of the £1,650,000 subordinated loan. The total subordinated loan may only rank as a component of the Company's solvency margin up to a limit of 25% of the Company's required margin of solvency as determined in accordance with Section 32 of the Act.

### Form 11

#### Code 1101 – Differences on brought forward amounts

None

#### Code 1102 – Reconciliation of Claims Paid

None



## Form 12

### Code 1201 – Differences on brought forward amounts

None

### Code 1202 – Differences with corresponding amounts with forms 21 and 25

See Code 1102

## Form 13

### Code 1301 – Aggregated value of certain investments

None

### Code 1302 – Aggregate value of hybrid securities

None

### Code 1303 – Non debtor salvage or subrogation recoveries

None

### Code 1304 – Set-off

Not applicable

### Code 1305 – Maximum counterparty limit

The company's investment guidelines regarding counterparty exposure is that the maximum exposure to any one approved counterparty shall not exceed 20% of the GBA.

### Code 1306 – Large counterparties

As at 30<sup>th</sup> June 1999

Approved Credit Institutions

	<u>£</u>	<u>Maturity</u>
1. First Active Bank	1,000,000	07/07/99
2. Irish Intercontinental Bank Ltd	1,000,000	01/07/99
3. Barclays Bank plc	1,000,000	01/07/99
4. Sun Banking plc	1,000,000	07/07/99
5. Lazard Brother & Co Limited	1,000,000	07/07/99
6. Banque Internationale a Luxembourg	1,000,000	01/07/99
7. Lloyds Bank plc	1,000,000	01/07/99
8. 31 plc	1,000,000	01/07/99
9. Banca Di Roma	1,000,000	01/07/99
10. N M Rothschild & Sons	1,000,000	07/01/99
11. Irish Life and Permanent	1,000,000	01/07/99
12. HFC	1,000,000	09/07/99

In calculating available assets, limits are applied under the concession dated 30<sup>th</sup> June 1999 from HM Treasury, other than this, all debts due from approved credit institutions are restricted to 20% of the General Business Account.

Code 1307 – Aggregate value of certain fully secured rights

None

Code 1308 – 1313

None

**Form 15**

Code 1501 – Provision for adverse changes

No provision for adverse changes has been made as at 30 June 1999 as the Company has not entered into any derivative contracts or contracts that have an equivalent effect to a derivative contract during the year.

Code 1502 – Other than long term business assets/liabilities

- a) No charge has been made on the assets of the company to secure the liabilities of any other person.
- b) There is no potential capital gains tax liability.
- c) There are no guarantees, indemnities or other contractual commitments, effected.
- d) There are no other contingent liabilities.
- e) None

Code 1503 – Accrued dividend on cumulative preference shares

Not applicable

**Form 16**

Code 1601 – The bases on conversion adopted in respect of foreign currency for income and expenditure

Not applicable

Code 1602 – Restatement of currency amounts

Not applicable

Code 1603 – Profit and Loss Account (Non-Technical) – analysis of other Income and charges

	1999	1998
<b>Other Income</b>	<b>£000</b>	<b>£000</b>
Legal protections	£42	£504

Code 1604 – Extraordinary profit or loss

Not applicable

Code 1701 Analysis of Derivative Contracts

Code 1702 – Quasi Derivatives

The company does not use derivative instruments. Form 17 is omitted.

**Form 20**Code 2001 – Option to report business in a different accounting class

Not applicable

Code 2002 – Business accounted for within Accounting Class

All premiums written in the UK

Code 2003 – Date of last contracts of insurance of any one or more authorisation classes during the financial year

Not applicable

Code 2004 – Reinsurance disclosure

The company has entered into reinsurance agreements, which fall in part to be treated in accordance with FRS 5 to the extent that part of the premium payable is matched by amounts receivable under an existing contract of reinsurance.

	<u>1999</u>	<u>1998</u>
	<u>£000</u>	<u>£000</u>
Total premium payable	11,395	44,400
Less set off under FRS 5	(9,600)	(9,035)
Net premium payable	<u>1,795</u>	<u>35,365</u>

Code 2005 General Business: Technical Account – Other income or charges

None

Code 2006 – Particulars of amounts included in line 32

Not applicable

**Form 21**Code 2101 – Differences in unearned premiums brought forward with corresponding amounts carried forward from the previous year

Not applicable

Code 2102 – Provision for unearned premium calculation

Premiums are deemed to accrue evenly on a daily basis over the period of insurance.

**Form 22**Code 2201 – Brought forward differences from the corresponding carried forwards amounts

None

Code 2202 – Claims management costs

Claims management costs are derived from detailed management reports which attribute general overhead and directly incurred costs to each area of activity within the business. The proportion of total claims management cost attributed to claims carried forward is determined by reference to the projected cost of handling all outstanding claims.

Code 2203 – Investment income taken into account in determining the claims management costs

None

Code 2204 – Acquisition Expenses

None

Code 2205 General Business: - Investment Income

Future Investment Income is not taken into account.

Code 2206 – Reinsurers share of claims incurred : Amounts to be recovered after more than 12 months after the payment of the underlying gross claims

None

### **Form 23**

Code 2301 – Brought forward differences from the corresponding carried forwards amounts

None

Code 2302 – Transfer of business to the company

None

Forms 24 & 25 are nil returns as the company accounts on an accident year basis.

### **Form 26**

Code 2601 – Differences between brought forward and carried forward amounts

None

Code 2602 – Basis of allocating or apportioning reinsurance treaties accepted

All treaty reinsurance are recorded in class 9 non-proportional treaty

Code 2603 – Change in allocation to business categories

None

Code 2604 – Change in allocation to business categories for similar risk

None

Code 2605 – Average rate of European currencies

Not applicable

### **Forms 31 and 32**

Code 3101 & 3201 – Brought forward differences from the corresponding carried forwards amounts

None

**Return to the Friendly Societies Division of the Financial Services Authority**

**Additional Information on general business : major treaty reinsurers required by regulation 19 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of company                      Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

Name	Address	Details of connection	Treaty premiums payable in the financial year £000	Debtor included at F13L75 £000	Deposits received £000	Anticipated Recoveries £000
Euro-Reinsurance Corporation Limited	P.O. Box HM 1669 Sedgwick House 31 Reid Street Hamilton Bermuda HMGX	None	76	-	-	-
The Hartford Fire Insurance Company	The London Underwriting Centre, 3 Minster Court Mincing Lane London HMGX	None	5,241	1,061	-	31,282

Return to the Friendly Societies Division of the Financial Services Authority

**Additional Information on general business : Major facultative reinsurers required by regulation  
20 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of Company            Budget Insurance Company Limited

Global Business

Financial year ended 30th June 1999

The company has no facultative reinsurance

Return to the Friendly Societies Division of the Financial Services Authority

**Additional Information on general business : major general business reinsurance cedants required by regulation 21 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of company      Budget Insurance Company Limited

Global Business

Financial year ended 30th June 1999

Name and Address	Connection	Premium Receivable	Deposit included at Linesy for AA 13 £000	Debt included at line 74 of form 13 £000
Auto & General Insurance Ltd P.O. Box 11250 Johannesburg 2000 SOUTH AFRICA	Yes, Common ultimate parent company.	252	-	-
The Holland Insurance Company 53 Main Street Johannesburg 2001 SOUTH AFRICA	None	3,169	-	948
Harvey Bowring syndicate 362 Jutland House 10-12 Alie Street LONDON, E1 8DE	None	730	-	441

Return to the Friendly Societies Division of the Financial Services Authority

**Statement of Additional Information on Derivative Contracts required by regulation 23 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of Company      Budget Insurance Company Limited

Global business

Financial year ended 30th June 1999

It is not the Company's policy to enter into derivative contracts. During the financial year, the company did not enter into any derivative contracts.



Return to the Friendly Societies Division of the Financial Services Authority

**Statement of Information on Shareholder Controllers Required by Regulation 24 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of Company            Budget Insurance Company Limited

Global Business

Financial Year Ended 30th June 1999

As at 30 June 1999, Budget Group Limited owned 100% of the issued share capital of Budget Insurance Company Limited and was able to exercise 100% of the voting power at any general meeting. The other shareholder controllers' interests in Budget Group Limited as at 30 June 1999 were as follows:

Name	Shares and voting rights held
Budget Holdings Limited	100% Budget Group Limited
Reef Holdings Limited	60% Budget Holdings Limited
The Trustees of The Family t'Hooft Trust (Credit Suisse Fides Trust Limited)	40% Budget Holdings Limited
The Trustees of The Concrete Trust (R & H Trust Co. (Guernsey ) Limited)	100% Reef Holdings Limited

**Additional Information on general business ceded required by regulation 26 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of Company      Budget Insurance Company Limited

Global Business

Financial year ended 30th June 1999

Type of business	Type of Reinsurance Cover	Period of Cover	Maximum net probable loss to the company		Reinsurers share of gross premiums £000	Reinsurers potential Liability under contract £000	Remarks
			any one risk £000	any one event £000			
UK Motor	Liability EOL Excess of loss for each and every incident.	01-07-98 to 31-12-98	£200	£200	£250	300 x 200 500 x 500 1,000 x 1,000 3,000 x 2,000 5,000 x 5,000 Unlimited x 10,000	
UK Motor	Stoploss	01-07-97 to 31-08-97 and 01-09-97 to 31-08-98	£0	£0	£76	£9,600	
UK Motor	Reinsurance	01-01-98 to 31-12-98	£0	£0	£5,240	100% of losses up aggregate limit of £6m and 90% for £1m excess over £6m, subject to limitation per event and per risk restricted to limit of retention under Excess of Loss reinsurance.	
Non-proportional treaty	Excess of loss	01-01-99 to 31-12-99	£0	£0	£23	Risk and catastrophe excess of loss - up to ZAR 2m, clash excess of loss - ZAR 500k, catastrophe excess of loss ZAR 12.5m. All ultimate net loss each and every loss occurrence.	

Return to the Friendly Societies Division of the Financial Services Authority

**Certificate required by Regulation 28(a) of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of Company            Budget Insurance Company Limited

Global Business

Financial Year Ended 30th June 1999

KY

We certify:

- 1 (a) that in relation to the part of this return comprising Forms 9 to 13, 15 to 17, 20 to 29 and 31 to 39 (including the supplementary notes thereto) and the statements 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 as modified by an Order made under Section 68 of the Insurance Companies Act 1982 in June 1999;
  - (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 transaction and records;
- (b) that reasonable enquiries have been made by the company for the purpose of determining whether any person and any body corporate are connected for the purpose 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 of the financial year enabled the company to comply with regulations 27 to 31 (matching and localisation) of those Regulations;
2. that the margin of solvency required by section 32 of the Insurance Companies Act 1982 has been maintained throughout the financial year.
- 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:
  - Prudential Guidance Note 1994/6 "Systems of control over the investments (and counterparty exposure) of insurance companies with particular reference to the use of derivatives", and
  - Prudential Guidance Note 1996/1 "controls 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;

**CERTIFICATE REQUIRED BY REGULATION 28(a) (continued)**

(b) that the return has been prepared in accordance with the following published guidance:

- Prudential Guidance Note 1995/1 "Guidance for insurance companies and auditors on the Valuation of Assets Regulations";
- Prudential Guidance Note 1995/3 "The use of derivatives in insurance funds"; and
- Prudential Guidance Note 1998/1 "The preparation of annual returns to the Insurance Directorate of HM Treasury".

Financial year ended 30<sup>th</sup> June 1999



P A Winslow Director/Chief Executive



J R Leech Director/Company Secretary

Return to the Friendly Societies Division of the Financial Services Authority

**Report of the Auditors to the Directors Pursuant to Regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996**

Name of Company            Budget Insurance Company Limited

Global Business

Financial year ended 30th June 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 to 17, 20, 29 and 31 to 39 (including the supplementary notes thereto) ("the Forms")
- the statements required by regulations 19, 20, 21 and 23 ("the statements");  
and
- the certificate signed in accordance with regulation 28(a) ("the certificate").
- these documents have been amended pursuant to section 22 (5) of the Act. This report replaces the report of the auditors dated 24 December 1999 which was issued in respect of the original documents and is now withdrawn.

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

**Respective responsibilities of the company and its auditors**

The company is responsible for the preparation of an annual return (including the Forms, statements and certificate) under the provisions of the Act and the Regulations. The requirements of the Regulations have been modified by an Order issued under Section 68 of the Act on 30<sup>th</sup> June 1999. 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 persons giving the certificate to have made the statements therein, and to report our opinions to you.

## Report of The Auditors (continued)

### Bases of opinions

We conducted our work in accordance 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 relevant to 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 22<sup>nd</sup> December 1999. It also included an assessment of the significant estimates and judgements made by the company in 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.

### 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 as modified by an Order under Section 68 of the Insurance Companies Act 1982 in June 1999; 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  
Chartered Accountants  
Registered Auditor  
London

*25 February 2000*