

PA (GI) Limited

Annual FSA Insurance Returns for the year ended

31 December 2007

Appendices 9.1, 9.2, 9.5 and 9.6.

Statement of solvency - general insurance businessName of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**

Solo solvency calculation

R1	Company registration number	GL/UK/CM	day month year			Units
			31	12	2007	
	71805	GL				£000
			As at end of this financial year			As at end of the previous year
			1			2

Capital resources

Capital resources arising outside the long-term insurance fund	11	6589	6338
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover general insurance business capital resources requirement (11-12)	13	6589	6338

Guarantee fund

Guarantee fund requirement	21	2231	2139
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	4358	4199

Minimum capital requirement (MCR)

General insurance capital requirement	31	6273	3185
Base capital resources requirement	33	2231	2139
Individual minimum capital requirement	34	6273	3185
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	6273	3185
Excess (deficiency) of available capital resources to cover 50% of MCR	37	3452	4746
Excess (deficiency) of available capital resources to cover 75% of MCR	38	1884	3949

Capital resources requirement (CRR)

Capital resources requirement	41	6273	3185
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	316	3153

Contingent liabilities

Quantifiable contingent liabilities in respect of other than long-term insurance business as shown in a supplementary note to Form 15	51		
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Covering Sheet to Form 1

Form 1

Name of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**

.....
I G Maidens

Director

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R P Stockton

Director

.....
M R Kipling

Director

Date

Components of capital resourcesName of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**

R3	Company registration number 71805	GL/ UK/ CM	day month year			Units £000
			31	12	2007	
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Core tier one capital

Permanent share capital	11	3000		3000	3000
Profit and loss account and other reserves	12	3589		3589	3338
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19	6589		6589	6338

Tier one waivers

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit Items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				

Other tier one capital

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

Total tier one capital before deductions (19+24+25+26+27+28)	31	6589		6589	6338
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39	6589		6589	6338

Components of capital resources

Name of insurer PA (GI) Limited

Global business

Financial year ended 31 December 2007

	Company registration number	GL/ UK/ CM	day month year			Units	
	R3	71805	GL	31	12	2007	£000
			General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
			1	2	3	4	

Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41					
Perpetual non-cumulative preference shares excluded from line 25	42					
Innovative tier one capital excluded from line 27	43					
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44					
Perpetual cumulative preference shares	45					
Perpetual subordinated debt and securities	46					
Upper tier two capital in related undertakings	47					
Upper tier two capital (44 to 47)	49					

Fixed term preference shares	51					
Other tier two instruments	52					
Lower tier two capital in related undertakings	53					
Lower tier two capital (51+52+53)	59					

Total tier two capital before restrictions (49+59)	61					
Excess tier two capital	62					
Further excess lower tier two capital	63					
Total tier two capital after restrictions, before deductions (61-62-63)	69					

Components of capital resourcesName of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	71805	GL	31	12	2007	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71					
Total capital resources before deductions (39+69+71)	72	6589			6589	6338
Inadmissible assets other than intangibles and own shares	73					
Assets in excess of market risk and counterparty limits	74					
Deductions for related ancillary services undertakings	75					
Deductions for regulated non-insurance related undertakings	76					
Deductions of ineligible surplus capital	77					
Total capital resources after deductions (72-73-74-75-76-77)	79	6589			6589	6338

Available capital resources for GENPRU/INSPRU tests

Available capital resources for guarantee fund requirement	81	6589			6589	6338
Available capital resources for 50% MCR requirement	82	6589			6589	6338
Available capital resources for 75% MCR requirement	83	6589			6589	6338

Financial engineering adjustments

Implicit items	91					
Financial reinsurance - ceded	92					
Financial reinsurance - accepted	93					
Outstanding contingent loans	94					
Any other charges on future profits	95					
Sum of financial engineering adjustments (91+92-93+94+95)	96					

Calculation of general insurance capital requirement - premiums amount and brought forward amount

 Name of insurer **PA (GI) Limited**

Global business

 Financial year ended **31 December 2007**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units
		R11	71805	GL	31	12	2007
				This financial year 1			Previous year 2
Gross premiums written			11				15
Premiums taxes and levies (included in line 11)			12				
Premiums written net of taxes and levies (11-12)			13				15
Premiums for classes 11, 12 or 13 (included in line 13)			14				
Premiums for "actuarial health insurance" (included in line 13)			15				
Sub-total A (13 + 1/2 14 - 2/3 15)			16				15
Gross premiums earned			21				3258
Premium taxes and levies (included in line 21)			22				
Premiums earned net of taxes and levies (21-22)			23				3258
Premiums for classes 11, 12 or 13 (included in line 23)			24				
Premiums for "actuarial health insurance" (included in line 23)			25				
Sub-total H (23 + 1/2 24 - 2/3 25)			26				3258
Sub-total I (higher of sub-total A and sub-total H)			30				3258
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure			31				
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18		32				586
	Excess (if any) over 53.1M EURO x 0.02		33				
Sub-total J (32-33)			34				586
Claims paid in period of 3 financial years			41		20445		20350
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis		42		101322		139944
	For insurance business accounted for on an accident year basis		43		142658		52
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis		44		111626		85453
	For insurance business accounted for on an accident year basis		45		45232		
Sub-total C (41+42+43-44-45)			46		107567		74893
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47		107567		74893
Sub-total D (46-47)			48				
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.5 or, if less, 1.00)			49		0.50		0.50
Premiums amount (Sub-total J x reinsurance ratio)			50				293
Provision for claims outstanding (before discounting and net of reinsurance)			51		12		42
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero			52				
Brought forward amount (See instruction 4)			53		910		2853
Greater of lines 50 and 53			54		910		2853

Calculation of general insurance capital requirement - claims amount and result

Name of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	71805	GL	31	12	2007	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R			11	36			36	
Claims paid in reference period			21	20445			20350	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis		22	101322			139944	
	For insurance business accounted for on an accident year basis		23	142658			52	
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis		24	111626			85453	
	For insurance business accounted for on an accident year basis		25	45232				
Claims incurred in reference period (21+22+23-24-25)			26	107567			74893	
Claims incurred for classes 11, 12 or 13 (included in 26)			27	91854			(2799)	
Claims incurred for "actuarial health insurance" (included in 26)			28					
Sub-total E (26 +1/2 27 - 2/3 28)			29	153494			73494	
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)			31	51165			24498	
Division of sub-total F (gross adjusted claims amount)	x 0.26		32	13303			6369	
	Excess (if any) over 37.2M EURO x 0.03		33	757				
Sub-total G (32-33)			39	12546			6369	
Claims amount Sub-total G x reinsurance ratio (11.49)			41	6273			3185	
Higher of premiums amount and brought forward amount (11.54)			42	910			2853	
General insurance capital requirement (higher of lines 41 and 42)			43	6273			3185	

Analysis of admissible assetsName of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	71805	GL	31	12	2007	£000	1
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11				

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43	3505	3145
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	3136
	Other	46	
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	
	More than one month withdrawal	55	
Other financial investments	56		
Deposits with ceding undertakings	57		
Assets held to match linked liabilities	Index linked	58	
	Property linked	59	

Analysis of admissible assetsName of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	71805	GL	31	12	2007	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61	243968	139954
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	
	Intermediaries	72	
Salvage and subrogation recoveries		73	
Reinsurance	Accepted	74	
	Ceded	75	
Dependants	due in 12 months or less	76	
	due in more than 12 months	77	
Other	due in 12 months or less	78	141
	due in more than 12 months	79	

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	567	914
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	81	29
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	251257	147203
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Analysis of admissible assetsName of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	71805	GL	31	12	2007	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	251257	147203
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	251257	147203
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Liabilities (other than long term insurance business)Name of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**

R15	Company registration number	GL/UK/CM	day month year			Units
			31	12	2007	
	71805	GL				£000
			As at end of this financial year 1			As at end of the previous year 2

Technical provisions (gross amount)

Provisions for unearned premiums		11			
Claims outstanding		12		243980	139996
Provision for unexpired risks		13			
Equalisation provisions	Credit business	14			
	Other than credit business	15			
Other technical provisions		16			
Total gross technical provisions (11 to 16)		19		243980	139996

Provisions and creditors

Provisions	Taxation	21			
	Other risks and charges	22			
Deposits received from reinsurers		31			
Creditors	Direct insurance business	41			
	Reinsurance accepted	42			
	Reinsurance ceded	43			
Debenture loans	Secured	44			
	Unsecured	45			
Amounts owed to credit institutions		46			
Creditors	Taxation	47		120	
	Foreseeable dividend	48			
	Other	49		568	869
Accruals and deferred income		51			
Total (19 to 51)		59		244668	140865
Provision for "reasonably foreseeable adverse variations"		61			
Cumulative preference share capital		62			
Subordinated loan capital		63			
Total (59 to 63)		69		244668	140865

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71				
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Amounts deducted from technical provisions for discounting	82				
Other adjustments (may be negative)	83				
Capital and reserves	84			6589	6338
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85			251257	147203

Profit and loss account (non-technical account)Name of insurer **PA (GI) Limited**

Global business

Financial year ended **31 December 2007**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	71805	GL	31	12	2007	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account	From Form 20		11					
	Equalisation provisions		12					
Transfer from the long term insurance business revenue account			13					
Investment income	Income		14			147		97
	Value re-adjustments on investments		15			131		188
	Gains on the realisation of investments		16			116		
Investment charges	Investment management charges, including interest		17					
	Value re-adjustments on investments		18					
	Loss on the realisation of investments		19					675
Allocated investment return transferred to the general insurance business technical account			20					
Other income and charges (particulars to be specified by way of supplementary note)			21					
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29			394		(390)
Tax on profit or loss on ordinary activities			31			143		(116)
Profit or loss on ordinary activities after tax (29-31)			39			251		(274)
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			251		(274)
Dividends (paid or foreseeable)			51					2600
Profit or loss retained for the financial year (49-51)			59			251		(2874)

General insurance business : Summary of business carried on

Name of insurer PA (GI) Limited

Global business

Financial year ended 31 December 2007

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	71805	GL	31	12	2007
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
		1	Reported	Incurred but not reported	4		
			2	3			
1	Total business	1	31862	212118			
2	Total primary (direct) and facultative business	2	30391	202700			
3	Total treaty reinsurance accepted business	3	1471	9418			

110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4				
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5				
160	Primary (direct) and facultative household and domestic all risks	6				
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7				
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8				
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9				
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10	9441	133217		
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11				
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12	6903	17250		
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13	14047	52233		
350	Total primary (direct) and facultative goods in transit	14				
400	Miscellaneous primary (direct) and facultative business	15				
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16				
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17	1471	9418		
700	Miscellaneous treaty reinsurance accepted business	18				
	Total (lines 4 to 18)	20	31862	212118		

General insurance business : Summary of business carried on

Name of insurer PA (GI) Limited

Global business

Financial year ended 31 December 2007

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	71805	GL	31	12	2007
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
			Reported	Incurred but not reported			
		1	2	3	4		

Primary (direct) and facultative personal lines business

111	Medical insurance	21			
112	HealthCare cash plans	22			
113	Travel	23			
114	Personal accident or sickness	24			
121	Private motor - comprehensive	25			
122	Private motor - non-comprehensive	26			
123	Motor cycle	27			
160	Household and domestic all risks (equals line 6)	28			
181	Assistance	29			
182	Creditor	30			
183	Extended warranty	31			
184	Legal expenses	32			
185	Mortgage indemnity	33			
186	Pet insurance	34			
187	Other personal financial loss	35			

Primary (direct) and facultative commercial lines business

221	Fleets	41			
222	Commercial vehicles (non-fleet)	42			
223	Motor other	43			
261	Commercial property	44			
262	Consequential loss	45			
263	Contractors or engineering all risks	46			
271	Employers liability	47	9441	133217	
272	Professional indemnity	48			
273	Public and products liability	49			
274	Mixed commercial package	50			
281	Fidelity and contract guarantee	51			
282	Credit	52			
283	Suretyship	53			
284	Commercial contingency	54			

Primary (direct) and facultative aviation

331	Aviation liability	61	6903	17250	
332	Aviation hull	62			
333	Space and satellite	63			

General insurance business : Summary of business carried on

Name of insurer PA (G) Limited

Global business

Financial year ended 31 December 2007

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	71805	GL	31	12	2007
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
		1	Reported	Incurred but not reported			4
			2	3			

Primary (direct) and facultative marine and transport

341	Marine liability	64				
342	Marine hull	65		14047	52233	
343	Energy (on and off-shore)	66				
344	Protection and indemnity	67				
345	Freight demurrage and defence	68				
346	War risks	69				
347	Yacht	70				
350	Total primary (direct) and facultative goods in transit (equals line 14)	71				

Primary (direct) and facultative miscellaneous

400	Miscellaneous primary (direct) and facultative business (equals line 15)	72				
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Non-proportional treaty

510	Non-proportional accident and health	81				
520	Non-proportional motor	82				
530	Non-proportional aviation	83				
540	Non-proportional marine	84				
550	Non-proportional transport	85				
560	Non-proportional property	86				
570	Non-proportional liability (non-motor)	87				
580	Non-proportional financial lines	88				
590	Non-proportional aggregate cover	89				

Proportional treaty

610	Proportional accident and health	91				
620	Proportional motor	92				
630	Proportional aviation	93				
640	Proportional marine	94				
650	Proportional transport	95				
660	Proportional property	96				
670	Proportional liability (non-motor)	97		1471	9418	
680	Proportional financial lines	98				
690	Proportional aggregate cover	99				

Treaty Reinsurance Miscellaneous

700	Miscellaneous treaty reinsurance accepted business (equals line 18)	101				
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	Total (lines 21 to 101)	111		31862	212118	
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Returns under the Accounts and Statements Rules

Supplementary Notes

PA (GI) Limited

Global Business

Financial year ended 31 December 2007

NOTES TO APPENDIX 9.1

0101 Modification of Rules 9.15, 9.17, 9.19, 9.20 and 9.21

The FSA, on the application of the firm, made a direction in August 2006 under section 148 of the Financial Services and Markets Act 2000. The effect of the direction is to waive the firm's obligation, under IPRU(INS), to prepare Forms 21 to 36 in its annual returns.

0301 Reconciliation of net admissible assets to capital resources after deductions

The reconciliation of the net admissible assets to total capital resources after deductions is as follows:

	2007 £'000	2006 £'000
Admissible assets – Form 13 line 89	251,257	147,203
Less Liabilities – Form 15 line 69	<u>244,668</u>	<u>140,865</u>
Net admissible assets	<u>6,589</u>	<u>6,338</u>
Capital resources after deductions - Form 3 line 79	<u>6,589</u>	<u>6,338</u>

0313 Reconciliation of the movement in profit and loss account and other reserves

	2007 £'000
Profit and loss account and other reserves – Form 3 line 12 column 4	3,338
Profit and loss account and other reserves – Form 3 line 12 column 3	<u>3,589</u>
Movement	<u>251</u>
Represented by:	
Profit retained for the financial year – Form 16 line 59	<u>251</u>

1305 Maximum counterparty limits

The investment guidelines in force during the year state that exposure to any one counterparty shall be subject to the following upper limits:-

- (i) Exposure (excluding short term deposits) to any counterparty to be not more than 5% of the business amount.
- (ii) Exposure (including short term deposits) to any approved counterparty to be not more than 10% of the business amount.

There were no breaches of the guidelines during the financial year.

1501 Provision for reasonably foreseeable adverse variations

The other than long term business does not own any assets that would give rise to a provision for reasonably foreseeable adverse variation.

Returns under the Accounts and Statements Rules

Supplementary Notes

PA (GI) Limited

Global Business

Financial year ended 31 December 2007

NOTES TO APPENDIX 9.2

20Ae Category 002 facultative reinsurance business included in form 20A

The Company has no facultative reinsurance business included in Form 20A

20Aj No new contracts effected

The Company has not transacted any new contracts under any of the authorisation classes.

The following provides the dates when the last policy was accepted by authorisation class:

Business	Authorisation Class	Year
Marine	12	1996
Aviation	11	1995 Laig 1997GAUM
Tower	13	1994
T&G	13	1972
Non-Marine	13	1999
Belec	13	1977

2000 Omission of Form

Form 20 has not been prepared as all entries, including comparatives would be nil.

3700 Omission of Form

Form 37 has not been prepared as all entries, including comparatives would be nil.

Returns Under the Accounts and Statements Rules
Statement of major treaty reinsurers required by rule 9.25
PA (GI) Limited
Global business
Financial year ended 31 December 2007

Reinsurer's details As required by Rule 9.25: (Para 1(a))	Connection (Para 1(b))	Proportional reinsurance treaties (Para 1(c)(i)) £000	Non- proportional reinsurance treaties (Para 1(c)(ii)) £000	Debts outstanding included at F15 L75 (Para 1(d)) £000	Deposits received included at F15 L31 (Para 1(e)) £000	Anticipated recoveries (Para 1(f)) £000	Comments
Royal Sun Alliance Plc St.Mark's Court Chart Way Horsham RH12 1XL	None	Nil	Nil	Nil	Nil	31,862	Nil

Returns under the Accounts and Statements Rules

Statement of major facultative reinsurers required by rule 9.26

PA (GI) Limited

Global business

Financial year ended 31 December 2007

The Company has no major facultative reinsurer.

Statement of major general insurance business reinsurance cedants required by rule 9.27

PA (GI) Limited

Global business

Financial year ended 31 December 2007

The Company has no major reinsurance cedants.

Returns under the Accounts and Statements Rules

Statement of additional information on derivative contracts required by rule 9.29

PA (GI) Limited

Global Business

Financial year ended 31 December 2007

The Company has not entered into any derivative contracts during the financial year

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

PA (GI) Limited

Global Business

Financial year ended 31 December 2007

(1) The persons who, to the knowledge of the Company, were controllers at any time during the financial year were:

- (a) Resolution Life Limited;
- (b) Resolution Life Group Limited (ceased to be controller on 17 May 2007);
- (c) Resolution Plc;
- (d) Pearl Assurance plc;
- (e) Pearl Group Limited;
- (f) Sun Capital Investments Limited;
- (g) Hera Investments One Limited;
- (h) Xercise Limited;
- (i) Jambright Limited;
- (j) Hugh Osmond, Alan McIntosh, Matthew Allen, Edward Spencer-Churchill, Marc Jonas;
- (k) TDR Capital Nominees Limited; and
- (l) TDR Capital LLP.

(2) The persons who, to the knowledge of the Company, were controllers at the end of the financial year were:

- (a) Resolution Life Limited

Resolution Life Limited owned 100% of the ordinary share capital of PA (GI) Limited, and was able to exercise 100% of the voting power at any general meeting.

- (b) Resolution plc

Resolution plc owned 100% of the ordinary shares of Resolution Life Limited, a company of which PA (GI) Limited is a subsidiary undertaking, and was able to exercise 100% of the voting power at any general meeting.

- (c) Pearl Assurance plc

Pearl Assurance plc owned 20.13% of the ordinary share capital of Resolution plc, a company of which PA (GI) Limited is a subsidiary undertaking, and was able to exercise 20.13% of the voting power at any general meeting.

- (d) Pearl Group Limited

Pearl Group Limited owned 100% of the ordinary share capital of Pearl Assurance plc and 5.79% of the ordinary share capital of Resolution plc, a company of which PA (GI) Limited is a subsidiary undertaking, and was able to exercise 25.92% of the voting power at any general meeting.

- (e) Sun Capital Investments Limited

Sun Capital Investments Limited owned 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which PA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

PA (GI) Limited

Global Business

Financial year ended 31 December 2007

(Controllers at the end of the financial year - continued)

(f) Hera Investments One Limited

Hera Investments One Limited owned 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which PA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

(g) Xercise Limited

Sun Capital Investments Limited, which is an associate of Xercise Limited within the meaning of section 422 of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which PA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

(h) Jambright Limited

Hera Investments One Limited which is an associate of Jambright Limited within the meaning of section 422 of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, owned 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which PA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

(i) Hugh Osmond, Alan McIntosh, Matthew Allen, Edward Spencer-Churchill, Marc Jonas

Hugh Osmond, Alan McIntosh and Matthew Allen, together with Edward Spencer-Churchill and Marc Jonas, who were associates of Hugh Osmond and Alan McIntosh within the meaning of section 422 of the Financial Services and Markets Act 2000 by virtue of being partners, jointly owned 79.2% of the ordinary shares of Xercise Limited and were able to exercise 79.2% of the voting power at any general meeting. Sun Capital Investments Limited is a subsidiary undertaking of Xercise Limited and owns 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which PA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

(j) TDR Capital Nominees Limited

TDR Capital Nominees Limited acted as nominee for the TDR funds, which own 89.4% of the ordinary shares of Jambright Limited and were able to exercise 89.4% of the voting power at any general meeting. Hera Investments One Limited is a subsidiary undertaking of Jambright Limited and owns 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which PA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

PA (GI) Limited

Global Business

Financial year ended 31 December 2007

(Controllers at the end of the financial year – continued)

(k) TDR Capital LLP

TDR Capital Nominees Limited, which is an associate of TDR Capital LLP within the meaning of the Financial Services and Markets Act 2000 by virtue of being a subsidiary undertaking, acted as nominee for the TDR funds, which own 89.4% of the ordinary shares of Jambright Limited and were able to exercise 89.4% of the voting power at any general meeting. Hera Investments One Limited is a subsidiary undertaking of Jambright Limited and owns 50% of the ordinary shares of Pearl Group Limited, (who with Pearl Assurance plc, its 100% owned subsidiary), owned 25.92% of the ordinary share capital of Resolution plc, a company of which PA (GI) Limited is a subsidiary undertaking and was able to exercise 12.96% of the voting power at any general meeting.

Returns under the Accounts and Statements Rules

Statement required by rule 9.32

PA (GI) Limited

Global Business

Financial year ended 31 December 2007

There has been no contract of insurance entered into or modified during the financial year under which general insurance business has been ceded by the insurer on a non facultative basis

All policy terms had expired prior to the start of the present financial year, and there was therefore no maximum net probable loss arising in respect of exposure in 2007

There was no reinsurance premiums payable during the financial year

Returns under the Accounts and Statements Rules

Statement of additional information on general financial reinsurance and financing arrangements required by rule 9.32A

PA (GI) Limited

Global business

Financial year ended 31 December 2007

The directors are not aware of any financial reinsurance or financing arrangements in force during the financial year.

Returns under the Accounts and Statements Rules

Certificate required by rule 9.34(1)

PA (GI) Limited

Global Business

Financial year ended 31 December 2007

We certify that:

- (1) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU.
- (2) we are satisfied that:
 - (i) throughout the financial year, the insurer has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
 - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.

I G MAIDENS

R P STOCKTON

M R KIPLING

.....
Director

.....
Director

.....
Director

31 March 2008

Returns under the Accounts and Statements Rules

Independent auditors' report to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook for Insurers

PA (GI) Limited

Global business

Financial year ended 31 December 2007

We have examined the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Chapter 9 of IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000

- Forms 1, 3, 11 to 13, 15, 16 and 20A (including the supplementary notes) ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 and 9.29 ("the statements");

We are not required to examine and do not express an opinion on the following:

- the statements required by IPRU(INS) rules 9.30, 9.32 and 9.32A; and
- the certificate signed in accordance with IPRU(INS) rule 9.34(1).

This report is made solely to the insurer's directors, in accordance with (IPRU(INS) rule 9.35. Our examination has been undertaken so that we might state to the insurer's directors those matters we are required by the Rules to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the insurer for our examination, for this report, or for the opinion we have formed.

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms and the statements) under the provisions of the Rules. The requirements of the Rules have been modified by the direction issued under section 148 of the Act on 10 August 2006 referred to in supplementary note 0101. Under IPRU(INS) rule 9.11 the Forms and the statements are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms and the statements meet these requirements, and to report our opinion to you. We are also required to report to you if, in our opinion, the insurer has not kept proper accounting records or if we have not received all the information we require for our examination.

Basis of opinion

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (revised)' issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms and the statements. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year on which we reported on 31 March 2008. It also included an assessment of the significant estimates and judgments made by the insurer in the preparation of the Forms and the statement.

We planned 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 the statements are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with IPRU(INS) rule 9.11.

However, in respect of claims outstanding of £243.9m, reinsurers' share of claims outstanding of £243.9m and the associated profit and loss account movements, the evidence available to us was limited as described in note 1502(f). Consequently we have been unable to obtain all of the information and explanations which we have considered necessary for our audit regarding the

valuation of claims outstanding, reinsurers' share of claims outstanding and associated profit and loss account movements, nor were we able to carry out other audit procedures.

Claims outstanding, reinsurers' share of claims outstanding and associated profit and loss account movements are, as discussed in note 1502(e), subject to significant uncertainties. As described in note 1502(f), because of the reinsurance with Royal & SunAlliance Insurance plc movements in claims outstanding would only affect the result for the year or net assets if Royal & SunAlliance ceased to pay claims.

Qualified opinion arising from limitation of scope

Except for the financial effect of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the valuation of claims outstanding, reinsurers' share of claims outstanding and associated profit and loss account movements, in our opinion the Forms and the statements fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules.

In respect solely of the limitation on our work relating to the valuation of claims outstanding, reinsurers' share of claims outstanding and associated profit and loss account movements:

- we have not obtained all of the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

Ernst & Young LLP
Registered Auditor
London

31 March 2008

PA(GI) Limited
Year Ended 31 December 2007
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