

Norwich Union Life & Pensions Limited

Registered office: 2 Rougier Street, York, YO90 1UU

**Annual FSA Insurance Returns for the year ended
31st December 2004**



Index to Appendices 9.1, 9.3, 9.4 and 9.6 of IPRU (INS)Name of insurer **Norwich Union Life & Pensions Limited**

Global Business

Financial year ended **31st December 2004****Contents**

<i>Forms</i>		<i>Page</i>
IPRU (INS) Appendix 9.1		
2	Statement of solvency	1
3	Components of capital resources	3
11	Calculation of general insurance capital requirement - premiums amount and brought forward amount	6
12	General insurance business : Calculation of general insurance capital requirement - claims amount and result	7
13	Analysis of admissible assets	8
14	Long-term business liabilities and margins	23
15	Liabilities (other than long term business)	27
16	Profit and loss account	28
17	Analysis of derivative contracts	29
18	With-profits insurance capital component for the fund	32
19	Realistic balance sheet	33
IPRU (INS) Appendix 9.3		
40	Revenue account	35
41	Analysis of premiums and expenses	39
42	Analysis of claims	43
IPRU (INS) Appendix 9.4		
	Valuation report	47
	Abstract of valuation report for realistic valuation	103
46	Summary of changes in long-term business	136
47	Analysis of new ordinary long-term business	141
48	Expected income from admissible assets not held to match liabilities in respect of linked benefits	161
49	Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefits	165
51	Valuation summary of non-linked contracts (other than accumulating with-profit policies)	168
52	Valuation summary of accumulating with-profit policies	201
53	Valuation summary of property linked contracts	217
54	Valuation summary of index linked contracts	236
55	Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits	243

Returns under the Accounts and Statements Rules

Index to Appendices 9.1, 9.3, 9.4 and 9.6 of IPRU (INS)

Name of insurer **Norwich Union Life & Pensions Limited**

Global Business

Financial year ended **31st December 2004**

<i>Forms</i>		<i>Page</i>
57	Analysis of valuation interest rates	245
58	Valuation result and distribution of surplus	248
60	Required minimum margin	252
	Supplementary notes	253
	IPRU (INS) 9.29, 9.30 and 9.36	
	Statement on derivatives required by IPRU (INS) 9.29	260
	Statement on controllers required by IPRU (INS) 9.30	261
	Certificates by the directors and report of the auditors – IPRU (INS) Appendix 9.6	
	Certificate by the directors required by IPRU (INS) 9.34(a)	262
	Report of the auditors to the directors pursuant to IPRU (INS) 9.35	264

Statement of solvency - long-term insurance businessName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

Solo solvency calculation

Company
registration
number

GL/UK/CM

Period ended
day month year

Units

R2	3253947	GL	31	12	2004	£000
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	As at end of this financial year	As at end of the previous year
	1	2

Capital resources

Capital resources arising within the long-term insurance fund	11	3662940	
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	1443688	
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	5106628	

Guarantee Fund

Guarantee Fund requirement	21	1085441	
Excess (deficiency) of available capital resources to cover guarantee Fund requirement	22	3612187	

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31		
Resilience capital requirement	32		
Base capital resources requirement	33		
Minimum capital requirement	34	2008192	
Excess (deficiency) of available capital resources to cover 50% of MCR	35	3693532	
Excess (deficiency) of available capital resources to cover 75% of MCR	36	3191484	

Enhanced capital requirement

With-profits insurance capital component	37	1960749	
Enhanced capital requirement	38	3968941	

Capital resources requirement (CRR)

Capital resources requirement (greater of 34 and 38)	41	3968941	
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	1137687	

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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Returns under the Accounts and Statements Rules

Covering page to form 2

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

..... **G N WITHERS**
Chief Executive

..... **J A NEWMAN**
Director

..... **M N URMSTON**
Director

23 March 2005

Components of capital resourcesName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	R3	3253947	GL	31	12	2004	£000
	General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3		As at the end of the previous year 4		

Core tier one capital

Permanent share capital	11		100000	100000	
Profit and loss account and other reserves	12		1629424	1629424	
Share premium account	13		877893	877893	
Positive valuation differences	14		247892	247892	
Fund for future appropriations	15		3150457	3150457	
Core tier one in related undertakings	16		(181245)	(181245)	
Core tier one capital (sum of 11 to 16)	19		5824421	5824421	

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

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		5824421	5824421	
Investments in own shares	32				
Intangible assets	33		(8500)	(8500)	
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36		113067	113067	
Deductions from tier one (32 to 36)	37		104567	104567	
Total tier one capital after deductions (31-37)	39		5719854	5719854	

Components of capital resourcesName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R3	3253947	GL	31	12	2004	£000
	General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3		As at the end of the previous year 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		200000	200000	
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49		200000	200000	

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		200000	200000	
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69		200000	200000	

Components of capital resourcesName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R3	3253947	GL	31	12	2004	£000
	General insurance Business 1	Long-Term insurance Business 2	Total as at the end of this financial year 3			As at the end of the previous year 4

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		5919854	5919854	
Inadmissible assets other than intangibles and own shares	73		1121084	1121084	
Assets in excess of market risk and counterparty limits	74		101142	101142	
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Total deductions of ineligible surplus	77				
Total capital resources after deductions (72-73-74-76-77)	79		4697628	4697628	

Available capital resources for PRU tests

Available capital resources for guarantee fund requirement	81		4697628	4697628	
Available capital resources for 50% MCR requirement	82		4697628	4697628	
Available capital resources for 75% MCR requirement	83		4697628	4697628	

Financial engineering adjustments

Implicit items	91		409000	409000	
Financial reinsurance - ceded	92		117783	117783	
Financial reinsurance - accepted	93				
Outstanding contingent loans	94		91252	91252	
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92+93+94+95)	96		618035	618035	

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

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

Long-term insurance business

Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R11	3253947	GL	31	12	2004	£000
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			This financial year 1	Previous year 2
Gross premiums receivable		11	209599	171915
Premium taxes and levies (included in line 11)		12		
Premiums receivable net of taxes and levies (11-12)		13	209599	171915
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	209599	171915
Gross premiums earned		21	209599	171915
Premium taxes and levies (included in line 21)		22		
Premiums earned net of taxes and levies (21-22)		23	209599	171915
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	209599	171915
Sub-total I (higher of sub-total A and sub-total H)		30	209599	171915
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	37728	30945
	Excess (if any) over 50M EURO x 0.02	33	3496	2752
Sub-total J (32-33)		34	34232	28193
Claims paid in period of 3 financial years		41	125236	109696
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42		
	For insurance business accounted for on an accident year basis	43	147708	159566
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis	44		
	For insurance business accounted for on an accident year basis	45	153686	156690
Sub-total C (41+42+43-44-45)		46	119258	112572
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	11885	4781
Sub-total D (46-47)		48	107373	107791
Reinsurance ratio (Sub-total D / sub-total C or, if more, 50% or, if less, 100%)		49	90.03	95.75
Premiums amount Sub-total J x reinsurance ratio		50	30819	26995
Provisions for claims outstanding (before discounting and net of reinsurance)		51	134438	145919
Brought forward amount (12.43.2 x 51.1 / 51.2 or, if less, 12.43.2)		52	24871	19193
Greater of lines 50 and 52		53	30819	26995

General insurance business : Calculation of general insurance capital requirement - claims amount and resultName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

Long-term insurance business

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	R12	3253947	GL	31	12	2004	£000
				This financial year 1		Previous year 2	
Reference period (No. of months) See PRU7.2.63R		11		36		36	
Claims paid in reference period		21		125236		109696	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22					
	For insurance business accounted for on an accident year basis	23		147708		159566	
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	24					
	For insurance business accounted for on an accident year basis	25		153686		156690	
Claims incurred in reference period (21+22+23-24-25)		26		119258		112572	
Claims incurred for classes 11, 12 or 13 (included in 26)		27					
Claims incurred for "actuarial health insurance" (included in 26)		28					
Sub-total E (26 + 1/2 27 - 2/3 28)		29		119258		112572	
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)		31		39753		37524	
Division of sub-total F (gross adjusted claims amount)	X 0.26	32		10336		9756	
	Excess (if any) over 35M EURO x 0.03	33		462		405	
Sub-total G (32 - 33)		39		9874		9351	
Claims amount Sub-total G x reinsurance ratio (11.49)		41		8890		8954	
Higher of premiums amount and brought forward amount (11.53)		42		30819		26995	
General insurance capital requirement (higher of lines 41 and 42)		43		30819		26995	

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3253947	GL	31	12	2004	£000	1
					day	month	year		
Investments					As at the end of this financial year		As at the end of the previous year		
					1		2		
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21	141054	141751				
		Debt securities issued by, and loans to, dependants	22						
	Other insurance dependants	Shares	23	119724	84145				
		Debt securities issued by, and loans to, dependants	24						
	Non-insurance dependants	Shares	25	182095	92946				
		Debt securities issued by, and loans to, dependants	26	4602	5000				
	Other group undertakings and participating interests	Shares	27						
		Debt securities issued by, and loans to, group undertakings	28	9968					
		Participating interests	29						
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30						
Total sheet 1 (11 to 30)					39	457443	323842		

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets
		R13	GL	day	month	year	£000	1
Investments (continued)				As at the end of this financial year			As at the end of the previous year	
Deposits with ceding undertakings				1			2	
Assets held to cover linked liabilities								
Other financial investments	Equity shares			41	882	2520		
	Other shares and other variable yield securities			42				
	Holdings in collective investment schemes			43	78	3221		
	Rights under derivative contracts			44				
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	149113			
			Other	46				
		Variable interest	Approved securities	47				
			Other	48				
	Participation in investment pools			49				
	Loans secured by mortgages			50				
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51				
		Loans secured by policies of insurance issued by the company		52				
		Other		53				
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	93794			
		Withdrawal subject to a time restriction of more than one month		55				
	Other			56				
	Deposits with ceding undertakings			57				
Assets held to match linked liabilities	Index linked		58					
	Property linked		59					
Reinsurers' share of technical provisions	Provision for unearned premiums		60					
	Claims outstanding		61					
	Provision for unexpired risks		62					
	Other		63					
Total sheet 2 (41 to 63)				69	243867	5741		

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2004	£000	1
Debtors								
Other assets								
						As at the end of this financial year		As at the end of the previous year
						1		2
Debtors arising out of direct insurance operations	Policyholders			71				
	Intermediaries			72				
Salvage and subrogation recoveries				73				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74				
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75				
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76		14402		17880
		Due more than 12 months after the end of the financial year		77				
	Other	Due in 12 months or less after the end of the financial year		78		604		14222
		Due more than 12 months after the end of the financial year		79				
Tangible assets				80				
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81		83770		158301
	Cash in hand			82				
Other assets (particulars to be specified by way of supplementary note)				83				
Prepayments and accrued income	Accrued interest and rent			84		691		137
	Deferred acquisition costs			85				
	Other prepayments and accrued income			86				
Deductions from the aggregate value of assets				87				
Total sheet 3 (71 to 86 less 87)				88		99467		190540
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89		800777		520123
Reconciliation to asset values determined in accordance with the insurance accounts rules								
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91		800777		520123
Assets in excess of market and counterparty limits				92		1261		
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93		657606		
Other differences in the valuation of assets (other than for assets not valued above)				94		429396		949284
Other inadmissible assets				95		(5100)		5100
Total assets determined in accordance with the <i>insurance accounts rules</i> (91 to 95)				99		1883940		1474507
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100		14502		17880

Analysis of admissible assets

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

Category of assets **Total long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3253947	GL	31	12	2004	£000	10
					As at the end of this financial year		As at the end of the previous year		
					1		2		
Investments									
Land and buildings					11	3013892		3291220	
Investments in group undertakings and participating interests	UK insurance business dependants	Shares			21				
		Debt securities issued by, and loans to, dependants			22				
	Other insurance dependants	Shares			23				
		Debt securities issued by, and loans to, dependants			24				
	Non-insurance dependants	Shares			25	179		20821	
		Debt securities issued by, and loans to, dependants			26	407303		1015308	
	Other group undertakings and participating interests	Shares			27				
		Debt securities issued by, and loans to, group undertakings			28	272821		332923	
		Participating interests			29				
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest			30				
Total sheet 1 (11 to 30)					39	3694195		4660272	

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R13	3253947	GL	31	12	2004	£000	10	
					day	month	year			
Investments (continued)					As at the end of this financial year			As at the end of the previous year		
Deposits with ceding undertakings					1			2		
Assets held to cover linked liabilities										
Other financial investments	Equity shares			41	9014135			8369935		
	Other shares and other variable yield securities			42						
	Holdings in collective investment schemes			43	458156			479964		
	Rights under derivative contracts			44	68225			160326		
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45	9482653			8137105	
			Other		46	4483326			5476028	
		Variable interest	Approved securities		47	9752			33477	
			Other		48	41502			48837	
	Participation in investment pools			49						
	Loans secured by mortgages			50	356837			546		
	Other loans	Loans to public or local authorities and nationalised industries or undertakings			51					
		Loans secured by policies of insurance issued by the company			52	61675			71459	
		Other			53				923	
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less			54	82706				
		Withdrawal subject to a time restriction of more than one month			55					
	Other			56						
Deposits with ceding undertakings			57							
Assets held to match linked liabilities	Index linked			58	56701			57692		
	Property linked			59						
Reinsurers' share of technical provisions	Provision for unearned premiums			60						
	Claims outstanding			61						
	Provision for unexpired risks			62						
	Other			63						
Total sheet 2 (41 to 63)			69	24115668			22836292			

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2004	£000	10
Debtors								
Other assets								
						As at the end of this financial year		As at the end of the previous year
						1		2
Debtors arising out of direct insurance operations	Policyholders			71		74070		32990
	Intermediaries			72		24759		68181
Salvage and subrogation recoveries				73				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74		5594		21247
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75		28878		5830
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76		852		53292
		Due more than 12 months after the end of the financial year		77				
	Other	Due in 12 months or less after the end of the financial year		78		252446		257958
		Due more than 12 months after the end of the financial year		79				
Tangible assets				80		22455		
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81		288982		355228
	Cash in hand			82				
Other assets (particulars to be specified by way of supplementary note)				83				
Prepayments and accrued income	Accrued interest and rent			84		211419		231159
	Deferred acquisition costs			85				
	Other prepayments and accrued income			86		20875		56
Deductions from the aggregate value of assets				87				
Total sheet 3 (71 to 86 less 87)				88		930330		1025941
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89		28740193		28522505
Reconciliation to asset values determined in accordance with the insurance accounts rules								
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91		28740193		28522505
Assets in excess of market and counterparty limits				92		99881		
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93				
Other differences in the valuation of assets (other than for assets not valued above)				94		(199032)		48383
Other inadmissible assets				95				
Total assets determined in accordance with the <i>insurance accounts rules</i> (91 to 95)				99		28641042		28570888
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100		4062		25855

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **With Profit.**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3253947	GL	31	12	2004	£000	90
					As at the end of this financial year		As at the end of the previous year		
					1	2			
Investments									
Land and buildings					11	3013892	3291220		
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21						
		Debt securities issued by, and loans to, dependants	22						
	Other insurance dependants	Shares	23						
		Debt securities issued by, and loans to, dependants	24						
	Non-insurance dependants	Shares	25	74	13769				
		Debt securities issued by, and loans to, dependants	26	407303	559194				
	Other group undertakings and participating interests	Shares	27						
		Debt securities issued by, and loans to, group undertakings	28	184688	211819				
		Participating interests	29						
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30						
Total sheet 1 (11 to 30)					39	3605957	4076002		

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **With Profit.**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R13	3253947	GL	31	12	2004	£000	90	
					day	month	year			
Investments (continued)					As at the end of this financial year			As at the end of the previous year		
Deposits with ceding undertakings					1			2		
Assets held to cover linked liabilities										
Other financial investments	Equity shares			41	9014135			8359010		
	Other shares and other variable yield securities			42						
	Holdings in collective investment schemes			43	431010			455233		
	Rights under derivative contracts			44	68225			160326		
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45	8918299			7644891	
			Other		46	4091826			5009363	
		Variable interest	Approved securities		47				11833	
			Other		48	41502			48837	
	Participation in investment pools			49						
	Loans secured by mortgages			50						
	Other loans	Loans to public or local authorities and nationalised industries or undertakings			51					
		Loans secured by policies of insurance issued by the company			52	60401			69633	
		Other			53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less			54					
		Withdrawal subject to a time restriction of more than one month			55					
Other			56							
Deposits with ceding undertakings			57							
Assets held to match linked liabilities	Index linked			58						
	Property linked			59						
Reinsurers' share of technical provisions	Provision for unearned premiums			60						
	Claims outstanding			61						
	Provision for unexpired risks			62						
	Other			63						
Total sheet 2 (41 to 63)			69	22625398			21759126			

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **With Profit.**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3253947	GL	31 day	12 month	2004 year	£000	90
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	Policyholders			71		44680		28860	
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74		5594		506	
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76				28688	
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78		79688		265850	
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81		258139		92253	
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84		195767		209885	
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88		583868		626042	
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89		26815223		26461170	
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91		26815223		26461170	
Assets in excess of market and counterparty limits				92		74637			
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93					
Other differences in the valuation of assets (other than for assets not valued above)				94				50120	
Other inadmissible assets				95					
Total assets determined in accordance with the <i>insurance accounts rules</i> (91 to 95)				99		26889860		26511290	
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100		2936		2095	

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Non Profit**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R13	3253947	GL	31	12	2004	£000	91	
						day	month	year		
Investments					As at the end of this financial year			As at the end of the previous year		
					1			2		
Land and buildings					11					
Investments in group undertakings and participating interests	UK insurance business dependants	Shares	21							
		Debt securities issued by, and loans to, dependants	22							
	Other insurance dependants	Shares	23							
		Debt securities issued by, and loans to, dependants	24							
	Non-insurance dependants	Shares	25			105		7052		
		Debt securities issued by, and loans to, dependants	26					456114		
	Other group undertakings and participating interests	Shares	27							
		Debt securities issued by, and loans to, group undertakings	28			88133		121104		
		Participating interests	29							
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest	30							
Total sheet 1 (11 to 30)					39		88238	584270		

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Non Profit**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R13	3253947	GL	31	12	2004	£000	91	
					day	month	year			
Investments (continued)					As at the end of this financial year			As at the end of the previous year		
Deposits with ceding undertakings					1			2		
Assets held to cover linked liabilities										
Other financial investments	Equity shares				41					
	Other shares and other variable yield securities				42					
	Holdings in collective investment schemes				43		27146		24731	
	Rights under derivative contracts				44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities		45		564354		442734	
			Other		46		391500		466665	
		Variable interest	Approved securities		47		9752		21644	
			Other		48					
	Participation in investment pools				49					
	Loans secured by mortgages				50		356837			
	Other loans	Loans to public or local authorities and nationalised industries or undertakings				51				
		Loans secured by policies of insurance issued by the company				52		1274		1826
		Other				53				
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less				54		82706		
		Withdrawal subject to a time restriction of more than one month				55				
Other				56						
Deposits with ceding undertakings				57						
Assets held to match linked liabilities	Index linked				58		56701		57692	
	Property linked				59					
Reinsurers' share of technical provisions	Provision for unearned premiums				60					
	Claims outstanding				61					
	Provision for unexpired risks				62					
	Other				63					
Total sheet 2 (41 to 63)					69		1490270		1015292	

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Non Profit**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2004	£000	91
Debtors								
Other assets								
						As at the end of this financial year		As at the end of the previous year
						1		2
Debtors arising out of direct insurance operations	Policyholders			71		29390		4130
	Intermediaries			72		24759		67133
Salvage and subrogation recoveries				73				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74				20741
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75		28878		5830
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76		852		24604
		Due more than 12 months after the end of the financial year		77				
	Other	Due in 12 months or less after the end of the financial year		78		172758		(14210)
		Due more than 12 months after the end of the financial year		79				
Tangible assets				80		22455		
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81		30843		259077
	Cash in hand			82				
Other assets (particulars to be specified by way of supplementary note)				83				
Prepayments and accrued income	Accrued interest and rent			84		15652		19850
	Deferred acquisition costs			85				
	Other prepayments and accrued income			86		20875		
Deductions from the aggregate value of assets				87				
Total sheet 3 (71 to 86 less 87)				88		346462		387155
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89		1924970		1986717
Reconciliation to asset values determined in accordance with the insurance accounts rules								
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91		1924970		1986717
Assets in excess of market and counterparty limits				92		25244		
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93				
Other differences in the valuation of assets (other than for assets not valued above)				94		(199032)		677
Other inadmissible assets				95				
Total assets determined in accordance with the <i>insurance accounts rules</i> (91 to 95)				99		1751182		1987394
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100		1126		23760

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Belgium**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3253947	GL	31	12	2004	£000	95
						day	month	year	
Investments						As at the end of this financial year	As at the end of the previous year		
						1	2		
Land and buildings						11			
Investments in group undertakings and participating interests	UK insurance business dependants	Shares			21				
		Debt securities issued by, and loans to, dependants			22				
	Other insurance dependants	Shares			23				
		Debt securities issued by, and loans to, dependants			24				
	Non-insurance dependants	Shares			25				
		Debt securities issued by, and loans to, dependants			26				
	Other group undertakings and participating interests	Shares			27				
		Debt securities issued by, and loans to, group undertakings			28				
		Participating interests			29				
		Debt securities issued by, and loans to, undertakings in which the insurer has a participating interest			30				
Total sheet 1 (11 to 30)						39			

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Belgium**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	3253947	GL	31	12	2004	£000	95
					day	month	year		
Investments (continued)					As at the end of this financial year			As at the end of the previous year	
Deposits with ceding undertakings					1			2	
Assets held to cover linked liabilities									
Other financial investments	Equity shares			41					10925
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45					49480
			Other	46					
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					546
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					923
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54					
		Withdrawal subject to a time restriction of more than one month		55					
Other			56						
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked		58						
	Property linked		59						
Reinsurers' share of technical provisions	Provision for unearned premiums		60						
	Claims outstanding		61						
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)			69					61874	

Analysis of admissible assetsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Belgium**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	3253947	GL	31	12	2004	£000	95
Debtors								
Other assets								
					As at the end of this financial year			As at the end of the previous year
					1			2
Debtors arising out of direct insurance operations	Policyholders			71				
	Intermediaries			72				1048
Salvage and subrogation recoveries				73				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74				
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75				
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76				
		Due more than 12 months after the end of the financial year		77				
	Other	Due in 12 months or less after the end of the financial year		78				6318
		Due more than 12 months after the end of the financial year		79				
Tangible assets				80				
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81				3898
	Cash in hand			82				
Other assets (particulars to be specified by way of supplementary note)				83				
Prepayments and accrued income	Accrued interest and rent			84				1424
	Deferred acquisition costs			85				
	Other prepayments and accrued income			86				56
Deductions from the aggregate value of assets				87				
Total sheet 3 (71 to 86 less 87)				88				12744
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89				74618
Reconciliation to asset values determined in accordance with the insurance accounts rules								
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91				74618
Assets in excess of market and counterparty limits				92				
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93				
Other differences in the valuation of assets (other than for assets not valued above)				94				(2414)
Other inadmissible assets				95				
Total assets determined in accordance with the <i>insurance accounts rules</i> (91 to 95)				99				72204
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100				

Long term insurance business liabilities and marginsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets
				day	month	year		
R14		3253947	GL	31	12	2004	£000	10
			As at the end of this financial year 1	As at the end of the previous year 2			Source	
Mathematical reserves, after distribution of surplus		11	24700035	24445673			See Instruction 2	
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12					See Instruction 3	
Balance of surplus/(valuation deficit)		13	426764	700713			See Instruction 4	
Long term insurance business fund carried forward (11 to 13)		14	25126799	25146386			See Instruction 5	
Claims outstanding which had fallen due for payment before the end of the financial year		Gross amount	15	135429	88845			
		Reinsurers' share	16					
		Net (15-16)	17	135429	88845			
Provisions for other risks and charges	Taxation	21		131209				
	Other	22						
Deposits received from reinsurers		23		11075				
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31	52352	89155			
		Reinsurance accepted	32	29456	65878			
		Reinsurance ceded	33	4472	38760			
	Debenture loans	Secured	34					
		Unsecured	35	159	21994			
	Amounts owed to credit institutions		36	2286	54991			
	Other creditors	Taxation	37	203916	124153			
		Other	38	314138	92683			
Accruals and deferred income		39	44010	53507				
Provision for "reasonably foreseeable adverse variations"		41						
Total other insurance and non-insurance liabilities (17 to 41)		49	786218	772250				
Excess of the value of net admissible assets		51	2827176	2603869		See Instruction 6		
Total liabilities and margins		59	28740193	28522505				
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	44363	140693				
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62						
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63				See Instruction 7		

Long term insurance business liabilities and marginsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **With Profit.**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
				day	month	year			
		R14	3253947	GL	31	12	2004	£000	90
				As at the end of this financial year 1	As at the end of the previous year 2			Source	
Mathematical reserves, after distribution of surplus		11	23215456	23136691				See Instruction 2	
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12						See Instruction 3	
Balance of surplus/(valuation deficit)		13	426764	535712				See Instruction 4	
Long term insurance business fund carried forward (11 to 13)		14	23642220	23672403				See Instruction 5	
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	88551	53079					
	Reinsurers' share	16							
	Net (15-16)	17	88551	53079					
Provisions for other risks and charges	Taxation	21		131134					
	Other	22							
Deposits received from reinsurers		23							
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31	11242	61484				
		Reinsurance accepted	32	4012	24941				
		Reinsurance ceded	33						
	Debenture loans	Secured	34						
		Unsecured	35	159	13580				
	Amounts owed to credit institutions		36	2286	54991				
	Other creditors	Taxation	37	202429	124153				
		Other	38	154812	50241				
Accruals and deferred income		39	43387	52372					
Provision for "reasonably foreseeable adverse variations"		41							
Total other insurance and non-insurance liabilities (17 to 41)		49	506878	565975					
Excess of the value of net admissible assets		51	2666125	2222792				See Instruction 6	
Total liabilities and margins		59	26815223	26461170					
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	1401	13580					
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62							
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63						See Instruction 7	

Long term insurance business liabilities and marginsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Non Profit**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets
				day	month	year		
R14		3253947	GL	31	12	2004	£000	91
			As at the end of this financial year 1	As at the end of the previous year 2			Source	
Mathematical reserves, after distribution of surplus		11	1484579	1267974			See Instruction 2	
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12					See Instruction 3	
Balance of surplus/(valuation deficit)		13		165001			See Instruction 4	
Long term insurance business fund carried forward (11 to 13)		14	1484579	1432975			See Instruction 5	
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15	46878	35766				
	Reinsurers' share	16						
	Net (15-16)	17	46878	35766				
Provisions for other risks and charges	Taxation	21						
	Other	22						
Deposits received from reinsurers		23						
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31	41110	26258			
		Reinsurance accepted	32	25444	40937			
		Reinsurance ceded	33	4472	38751			
	Debenture loans	Secured	34					
		Unsecured	35		8414			
	Amounts owed to credit institutions		36					
	Other creditors	Taxation	37	1487				
		Other	38	159326	25612			
Accruals and deferred income		39	623					
Provision for "reasonably foreseeable adverse variations"		41						
Total other insurance and non-insurance liabilities (17 to 41)		49	279340	175738				
Excess of the value of net admissible assets		51	161051	378004			See Instruction 6	
Total liabilities and margins		59	1924970	1986717				
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	42962	127113				
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62						
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63					See Instruction 7	

Long term insurance business liabilities and marginsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Belgium**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R14	3253947	GL	31	12	2004	£000	95
			As at the end of this financial year 1		As at the end of the previous year 2		Source	
Mathematical reserves, after distribution of surplus		11			41008		See Instruction 2	
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12					See Instruction 3	
Balance of surplus/(valuation deficit)		13					See Instruction 4	
Long term insurance business fund carried forward (11 to 13)		14			41008		See Instruction 5	
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15						
	Reinsurers' share	16						
	Net (15-16)	17						
Provisions for other risks and charges	Taxation	21			75			
	Other	22						
Deposits received from reinsurers		23			11075			
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31			1413		
		Reinsurance accepted	32					
		Reinsurance ceded	33			9		
	Debenture loans	Secured	34					
		Unsecured	35					
	Amounts owed to credit institutions		36					
	Other creditors	Taxation	37					
		Other	38			16830		
Accruals and deferred income		39			1135			
Provision for "reasonably foreseeable adverse variations"		41						
Total other insurance and non-insurance liabilities (17 to 41)		49			30537			
Excess of the value of net admissible assets		51			3073		See Instruction 6	
Total liabilities and margins		59			74618			
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61						
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62						
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63					See Instruction 7	

Liabilities (other than long term insurance business)Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

		Company registration number	GL/UK/CM	Period ended			Units		
		R15	3253947	GL	31	12	2004	£000	
				day month year					
				As at the end of this financial year 1			As at the end of the previous year 2		
Technical provisions (gross amount)	Provision for unearned premiums			11					
	Claims outstanding			12					
	Provision for unexpired risks			13					
	Equalisation provisions	Credit business			14				
		Other than credit business			15				
	Other			16					
Total (11 to 16)				19					
Provisions for other risks and charges	Taxation			21			5285		
	Other			22					
Deposits received from reinsurers				31					
Creditors	Arising out of insurance operations	Direct insurance business			41				
		Reinsurance accepted			42				
		Reinsurance ceded			43				
	Debenture loans	Secured			44				
		Unsecured			45				
	Amounts owed to credit institutions				46				
	Other creditors	Taxation			47	9410		9114	
		Recommended dividend			48				
		Other			49	5285			
Accruals and deferred income				51					
Total (19 to 51)				59	14695		14399		
Provision for "reasonably foreseeable adverse variations"				61					
Cumulative preference share capital				62					
Subordinated loan capital				63	200000				
Total (59 to 63)				69	214695		14399		
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance				71					

Profit and loss account (non-technical account)Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

		Company registration number	GL/UK/CM	Period ended			Units
		R16	GL	day	month	year	£000
		3253947		31	12	2004	
				1	2		
		This financial year	Previous year	Source			
				<	>	?	
Transfer (to)/from the general insurance business technical account	From Form 20	11					20 . 59
	Equalisation provisions	12					
Transfer from the long term insurance business revenue account		13	150261		77036		40 . 26
Investment income	Income	14	17175		20414		
	Value re-adjustments on investments	15	20				
	Gains on the realisation of investments	16					
Investment charges	Investment management charges, including interest	17	75		63		
	Value re-adjustments on investments	18			4724		
	Loss on the realisation of investments	19	2147				
Allocated investment return transferred to the general insurance business technical account		20					20 . 51
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	165234		92663		
Tax on profit or loss on ordinary activities		31	297		727		
Profit or loss on ordinary activities after tax (29-31)		39	164937		91936		
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	164937		91936		
Dividends (paid and proposed)		51	158300				
Profit or loss retained for the financial year (49-51)		59	6637		91936		

Analysis of derivative contractsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Insurance Business **Long term**Financial year ended **31st December 2004**Category of assets **Total long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R17	3253947	GL	31	12	2004	£000	10
		As at the end of this financial year			As at the end of the previous year				
		Assets 1	Liabilities 2	Assets 3	Liabilities 4				
Derivative contracts	Fixed-interest securities	11		1750	7487				
	Equity shares	12							
	Land	13							
	Currencies	14	61317	31014	83598		11915		
	Other	15			216		62		
Futures contracts	Fixed-interest securities	21			9				
	Equity shares	22	10		30				
	Land	23							
	Currencies	24							
	Other	25	60810	2024	63380		220		
Options	Fixed-interest securities	31							
	Equity shares	32	5	15924	2658		22545		
	Land	33							
	Currencies	34			2948		8665		
	Other	35		13888					
Contracts for differences									
Adjustments for variation margin	41	(53917)					(12146)		
Total (11 to 41)	49	68225	64600	160326		31261			

Analysis of derivative contractsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Insurance Business **Long term**Financial year ended **31st December 2004**Category of assets **With Profit.**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R17	3253947	GL	31	12	2004	£000	90
		As at the end of this financial year			As at the end of the previous year				
		Assets 1	Liabilities 2	Assets 3	Liabilities 4				
Derivative contracts	Fixed-interest securities	11		1750	7487				
	Equity shares	12							
	Land	13							
	Currencies	14	61317	31014	83598		11915		
	Other	15			216		62		
Futures contracts	Fixed-interest securities	21			9				
	Equity shares	22	10		30				
	Land	23							
	Currencies	24							
	Other	25	60810	2024	63380		220		
Options	Fixed-interest securities	31							
	Equity shares	32	5	15924	2658		22545		
	Land	33							
	Currencies	34			2948		8665		
	Other	35		13163					
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32	5	15924	2658		22545		
	Land	33							
	Currencies	34			2948		8665		
	Other	35		13163					
Adjustments for variation margin		41	(53917)				(12146)		
Total (11 to 41)		49	68225	63875	160326		31261		

Analysis of derivative contractsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Insurance Business **Long term**Financial year ended **31st December 2004**Category of assets **Non Profit**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R17	3253947	GL	31	12	2004	£000	91
		As at the end of this financial year			As at the end of the previous year				
		Assets 1	Liabilities 2	Assets 3	Liabilities 4				
Derivative contracts									
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 for differences	Fixed-interest securities	31							
	Equity shares	32							
	Land	33							
	Currencies	34							
	Other	35				725			
Adjustments for variation margin		41							
Total (11 to 41)		49				725			

With-profits insurance capital component for the fundName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**With-profits fund **With Profit 1**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R18	3253947	GL	31	12	2004	£000
			As at end of this financial year		As at end of the previous year	
			1		2	

Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11	26815225	
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of non-profit insurance contracts written in the fund	13	659720	
	Long-term admissible assets of the fund covering the long-term insurance capital requirement allocated in respect of non-profit insurance contracts written in fund	14	29918	
	Long-term admissible assets of the fund covering the resilience capital requirement allocated in respect of non-profit insurance contracts written in fund	15		
	Total (11+12-(13+14+15))	19	26125587	
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21	22555737	
	Regulatory current liabilities of the fund	22	506877	
	Total (21+22)	29	23062614	
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	913274	
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, long-term insurance capital requirement and resilience capital requirement (29+31+32)		39	23975888	
Regulatory excess capital (19-39)		49	2149699	

Realistic excess capital

Realistic excess capital	51	188950	
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Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	1960749	
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	63		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63 and zero; else greater of 61 and zero)	64	1960749	

Realistic balance sheetName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**With-profits fund **With Profit 1**

R19	Company registration number 3253947	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2004	

		As at end of this financial year 1	As at end of the previous year 2

Realistic value of assets available to the fund

Regulatory value of assets	11	26125586	
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in the fund (regulatory)	13		
Excess admissible assets	21	74636	
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	52082	
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in the fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	26	26252304	
Support arrangement assets	27		
Assets available to the fund (26+27)	29	26252304	

Realistic value of liabilities of fund

With-profits benefits reserve	31	21845608	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33	
	Planned enhancements to with-profits benefits reserve	34	
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	35	1032644
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	84150
	Future costs of contractual guarantees (other than financial options)	41	1780983
	Future costs of non-contractual commitments	42	628567
	Future costs of financial options	43	807083
	Future costs of smoothing (possibly negative)	44	76608
	Financing costs	45	
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	516031
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	2692478
Realistic current liabilities of the fund	51	506877	
Realistic value of liabilities of the fund (31+49+51)	59	25044963	

Realistic balance sheet

Name of insurer **Norwich Union Life & Pensions Limited**
 Global business
 Financial year ended **31st December 2004**
 With-profits fund **With Profit 1**

R19	Company registration number 3253947	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2004	
			As at end of this financial year 1		As at end of the previous year 2	

Realistic excess capital and additional capital available

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	62	26063354	
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+63)	64	26063354	
Risk capital margin for fund (62-59)	65	1018391	
Realistic excess capital for fund (26-(59+65))	66	188950	
Realistic excess available capital for fund (29-(59+65))	67	188950	
Working capital for for fund (29-59)	68	1207341	
Working capital ratio for fund (68/29)	69	0.05	

Other assets potentially available if required to cover the fund's risk capital margin

Additional amount potentially available for inclusion in line 62	81		
Additional amount potentially available for inclusion in line 63	82		

Long term insurance business : Revenue accountName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Summary**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
			day	month	year				
R40	3253947	GL	31	12	2004	£000	OB	99	0
Items to be shown net of reinsurance ceded						The financial year	Previous year		
						1	2		
Earned premiums						11	1190724	1365122	
Investment income receivable before deduction of tax						12	1370358	1375646	
Increase (decrease) in the value of non-linked assets brought into account						13	869356	25582	
Increase (decrease) in the value of linked assets						14			
Other income						15			
Total income (11 to 15)						19	3430438	2766350	
Claims incurred						21	2374432	2263913	
Expenses payable						22	869755	867175	
Interest payable before deduction of tax						23	11666	6413	
Taxation						24	43911	50777	
Other expenditure						25			
Transfer to (from) non technical account						26	150261	77036	
Total expenditure (21 to 26)						29	3450025	3265314	
Increase (decrease) in fund in financial year (19-29)						39	(19587)	(498964)	
Fund brought forward						49	25146386	25645350	
Fund carried forward (39+49)						59	25126799	25146386	

Long term insurance business : Revenue accountName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **With Profit. 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
			day	month	year				
R40	3253947	GL	31	12	2004	£000	OB	1	99
Items to be shown net of reinsurance ceded						The financial year	Previous year		
						1	2		
Earned premiums						11	683317	855069	
Investment income receivable before deduction of tax						12	1270782	1263141	
Increase (decrease) in the value of non-linked assets brought into account						13	547261	(124414)	
Increase (decrease) in the value of linked assets						14			
Other income						15	(83383)	(72148)	
Total income (11 to 15)						19	2417977	1921648	
Claims incurred						21	2242419	2128899	
Expenses payable						22	63468	83852	
Interest payable before deduction of tax						23	2125	1997	
Taxation						24	118287	102683	
Other expenditure						25			
Transfer to (from) non technical account						26	21861	36536	
Total expenditure (21 to 26)						29	2448160	2353967	
Increase (decrease) in fund in financial year (19-29)						39	(30183)	(432319)	
Fund brought forward						49	23672403	24104722	
Fund carried forward (39+49)						59	23642220	23672403	

Long term insurance business : Revenue accountName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Non Profit 2**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
			day	month	year				
R40	3253947	GL	31	12	2004	£000	OB	2	0
Items to be shown net of reinsurance ceded						The financial year	Previous year		
						1	2		
Earned premiums						11	548900	496245	
Investment income receivable before deduction of tax						12	99576	110891	
Increase (decrease) in the value of non-linked assets brought into account						13	321438	144909	
Increase (decrease) in the value of linked assets						14			
Other income						15	83383	72148	
Total income (11 to 15)						19	1053297	824193	
Claims incurred						21	132013	128417	
Expenses payable						22	806115	775290	
Interest payable before deduction of tax						23	9541	4400	
Taxation						24	(74376)	(51981)	
Other expenditure						25			
Transfer to (from) non technical account						26	128400	40500	
Total expenditure (21 to 26)						29	1001693	896626	
Increase (decrease) in fund in financial year (19-29)						39	51604	(72433)	
Fund brought forward						49	1432975	1505408	
Fund carried forward (39+49)						59	1484579	1432975	

Long term insurance business : Revenue accountName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Belgium 3**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
			day	month	year				
R40	3253947	GL	31	12	2004	£000	OB	3	0
Items to be shown net of reinsurance ceded						The financial year	Previous year		
							1	2	
Earned premiums						11	(41493)	13808	
Investment income receivable before deduction of tax						12		1614	
Increase (decrease) in the value of non-linked assets brought into account						13	657	5087	
Increase (decrease) in the value of linked assets						14			
Other income						15			
Total income (11 to 15)						19	(40836)	20509	
Claims incurred						21		6597	
Expenses payable						22	172	8033	
Interest payable before deduction of tax						23		16	
Taxation						24		75	
Other expenditure						25			
Transfer to (from) non technical account						26			
Total expenditure (21 to 26)						29	172	14721	
Increase (decrease) in fund in financial year (19-29)						39	(41008)	5788	
Fund brought forward						49	41008	35220	
Fund carried forward (39+49)						59		41008	

Long term insurance business : Analysis of premiums and expensesName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Summary**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	R41	3253947	GL	31	12	2004	£000	OB	99	0
						Gross	Payable to or recoverable from reinsurers	Net of reinsurance (1-2)		
						1	2	3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	11		1586167		1592284	(6117)		
		Regular premium	12		789551		178104	611447		
	Pension business contracts	Single premium	13		2272359		2121076	151283		
		Regular premium	14		722150		491148	231002		
	Permanent health contracts	Single premium	15		61950			61950		
		Regular premium	16		147649		6579	141070		
	Other contracts	Single premium	17		21		18	3		
		Regular premium	18		532		446	86		
	Total premiums	Single premium	19		3920497		3713378	207119		
		Regular premium	29		1659882		676277	983605		
Total premiums at lines 19 and 29 attributable to	UK contracts	31		5519995		4310738	1209257			
	Overseas contracts	32		60384		78917	(18533)			
Expenses payable in the financial year	Commission payable in connection with acquisition of business		41		433684			433684		
	Other commission payable		42		127836		64	127772		
	Management expenses in connection with acquisition of business		43		206644			206644		
	Management expenses in connection with maintenance of business		44		60446			60446		
	Other management expenses		45		41209			41209		
	Total expenses (41 to 45)		49		869819		64	869755		
	Total expenses at line 49 attributable to	UK contracts	51		869277		64	869213		
		Overseas contracts	52		542			542		

Long term insurance business : Analysis of premiums and expensesName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **With Profit. 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	R41	3253947	GL	31	12	2004	£000	OB	1	99
						Gross 1	Payable to or recoverable from reinsurers 2	Net of reinsurance (1-2) 3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	11		4727			4727		
		Regular premium	12		328515			328515		
	Pension business contracts	Single premium	13		161819			161819		
		Regular premium	14		180908			180908		
	Permanent health contracts	Single premium	15							
		Regular premium	16		7348			7348		
	Other contracts	Single premium	17							
		Regular premium	18							
	Total premiums	Single premium	19		166546			166546		
		Regular premium	29		516771			516771		
Total premiums at lines 19 and 29 attributable to	UK contracts	31		663519			663519			
	Overseas contracts	32		19798			19798			
Expenses payable in the financial year	Commission payable in connection with acquisition of business		41		2978			2978		
	Other commission payable		42		7802			7802		
	Management expenses in connection with acquisition of business		43		4688			4688		
	Management expenses in connection with maintenance of business		44		48876			48876		
	Other management expenses		45		(876)			(876)		
	Total expenses (41 to 45)		49		63468			63468		
	Total expenses at line 49 attributable to	UK contracts	51		63694			63694		
		Overseas contracts	52		(226)			(226)		

Long term insurance business : Analysis of premiums and expensesName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Non Profit 2**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	R41	3253947	GL	31	12	2004	£000	OB	2	0
						Gross	Payable to or recoverable from reinsurers	Net of reinsurance (1-2)		
						1	2	3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	11		1581440		1592284	(10844)		
		Regular premium	12		444185		119760	324425		
	Pension business contracts	Single premium	13		2110540		2121076	(10536)		
		Regular premium	14		541242		491148	50094		
	Permanent health contracts	Single premium	15		61950			61950		
		Regular premium	16		140301		6579	133722		
	Other contracts	Single premium	17		21		18	3		
		Regular premium	18		532		446	86		
	Total premiums	Single premium	19		3753951		3713378	40573		
		Regular premium	29		1126260		617933	508327		
Total premiums at lines 19 and 29 attributable to	UK contracts	31		4856476		4310738	545738			
	Overseas contracts	32		23735		20573	3162			
Expenses payable in the financial year	Commission payable in connection with acquisition of business		41		430706			430706		
	Other commission payable		42		120034		64	119970		
	Management expenses in connection with acquisition of business		43		201956			201956		
	Management expenses in connection with maintenance of business		44		11398			11398		
	Other management expenses		45		42085			42085		
	Total expenses (41 to 45)		49		806179		64	806115		
	Total expenses at line 49 attributable to	UK contracts	51		805583		64	805519		
		Overseas contracts	52		596			596		

Long term insurance business : Analysis of premiums and expenses

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**

Name and number of fund/Summary **Belgium 3**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
		R41	3253947	GL	31	12	2004	£000	OB	3	0
					Gross		Payable to or recoverable from reinsurers	Net of reinsurance (1-2)			
					1		2	3			
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium		11							
		Regular premium		12	16851	58344	(41493)				
	Pension business contracts	Single premium		13							
		Regular premium		14							
	Permanent health contracts	Single premium		15							
		Regular premium		16							
	Other contracts	Single premium		17							
		Regular premium		18							
	Total premiums	Single premium		19							
		Regular premium		29	16851	58344	(41493)				
Total premiums at lines 19 and 29 attributable to	UK contracts		31								
	Overseas contracts		32	16851	58344	(41493)					
Expenses payable in the financial year	Commission payable in connection with acquisition of business			41							
	Other commission payable			42							
	Management expenses in connection with acquisition of business			43							
	Management expenses in connection with maintenance of business			44	172		172				
	Other management expenses			45							
	Total expenses (41 to 45)			49	172		172				
	Total expenses at line 49 attributable to	UK contracts		51							
Overseas contracts		52	172		172						

Long term insurance business : Analysis of claimsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Summary**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	R42	3253947	GL	31	12	2004	£000	OB	99	0
Claims incurred in the financial year				Gross		Recoverable from reinsurers	Net of reinsurance (1-2)			
				1		2	3			
Life assurance and annuity contracts	On death		11			267897	98543	169354		
	By way of lump sums on maturity		12			705171	8722	696449		
	By way of annuity payments		13			4310	4308	2		
	By way of payments arising from other insured events		14			384	(1)	385		
	On surrender or partial surrender		15			775288	187201	588087		
	Total life assurance and annuity claims (11 to 15)		19			1753050	298773	1454277		
Pension business contracts	On death		21			50035	15730	34305		
	By way of lump sums on vesting		22			520758	57098	463660		
	By way of vested annuity payments		23			202887	190847	12040		
	On surrender or partial surrender		24			648633	288849	359784		
	Total pension business claims (21 to 24)		29			1422313	552524	869789		
Permanent health contracts	By way of lump sums		31			13481		13481		
	By way of periodical payments		32			38758	2417	36341		
	Total permanent health claims (31+32)		39			52239	2417	49822		
Other contracts	By way of lump sums		41			902	358	544		
	By way of periodical payments		42							
	Total claims (41+42)		49			902	358	544		
Total claims (19+29+39+49)			59			3228504	854072	2374432		
Total claims at line 59 attributable to	UK contracts		61			3185995	842284	2343711		
	Overseas contracts		62			42509	11788	30721		

Long term insurance business : Analysis of claimsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **With Profit. 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	R42	3253947	GL	31	12	2004	£000	OB	1	99
Claims incurred in the financial year				Gross		Recoverable from reinsurers	Net of reinsurance (1-2)			
				1	2	3				
Life assurance and annuity contracts	On death	11	139897		139897					
	By way of lump sums on maturity	12	688265		688265					
	By way of annuity payments	13	2		2					
	By way of payments arising from other insured events	14	131		131					
	On surrender or partial surrender	15	588087		588087					
	Total life assurance and annuity claims (11 to 15)	19	1416382		1416382					
Pension business contracts	On death	21	8484		8484					
	By way of lump sums on vesting	22	446139		446139					
	By way of vested annuity payments	23	12040		12040					
	On surrender or partial surrender	24	357313		357313					
	Total pension business claims (21 to 24)	29	823976		823976					
Permanent health contracts	By way of lump sums	31	1517		1517					
	By way of periodical payments	32								
	Total permanent health claims (31+32)	39	1517		1517					
Other contracts	By way of lump sums	41	544		544					
	By way of periodical payments	42								
	Total claims (41+42)	49	544		544					
Total claims (19+29+39+49)				59	2242419		2242419			
Total claims at line 59 attributable to	UK contracts	61	2212432		2212432					
	Overseas contracts	62	29987		29987					

Long term insurance business : Analysis of claimsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Non Profit 2**

		Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
		R42	3253947	GL	31	12	2004	£000	OB	2	0
Claims incurred in the financial year					Gross		Recoverable from reinsurers	Net of reinsurance (1-2)			
					1	2	3				
Life assurance and annuity contracts	On death	11	122831	93374	29457						
	By way of lump sums on maturity	12	16532	8348	8184						
	By way of annuity payments	13	4308	4308							
	By way of payments arising from other insured events	14	253	(1)	254						
	On surrender or partial surrender	15	186516	186516							
	Total life assurance and annuity claims (11 to 15)	19	330440	292545	37895						
Pension business contracts	On death	21	41551	15730	25821						
	By way of lump sums on vesting	22	74619	57098	17521						
	By way of vested annuity payments	23	190847	190847							
	On surrender or partial surrender	24	291320	288849	2471						
	Total pension business claims (21 to 24)	29	598337	552524	45813						
Permanent health contracts	By way of lump sums	31	11964		11964						
	By way of periodical payments	32	38758	2417	36341						
	Total permanent health claims (31+32)	39	50722	2417	48305						
Other contracts	By way of lump sums	41	358	358							
	By way of periodical payments	42									
	Total claims (41+42)	49	358	358							
Total claims (19+29+39+49)		59	979857	847844	132013						
Total claims at line 59 attributable to	UK contracts	61	973563	842284	131279						
	Overseas contracts	62	6294	5560	734						

Long term insurance business : Analysis of claimsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**Name and number of fund/Summary **Belgium 3**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	R42	3253947	GL	31	12	2004	£000	OB	3	0
Claims incurred in the financial year				Gross		Recoverable from reinsurers	Net of reinsurance (1-2)			
				1		2	3			
Life assurance and annuity contracts	On death			11	5169		5169			
	By way of lump sums on maturity			12	374		374			
	By way of annuity payments			13						
	By way of payments arising from other insured events			14						
	On surrender or partial surrender			15	685		685			
	Total life assurance and annuity claims (11 to 15)			19	6228		6228			
Pension business contracts	On death			21						
	By way of lump sums on vesting			22						
	By way of vested annuity payments			23						
	On surrender or partial surrender			24						
	Total pension business claims (21 to 24)			29						
Permanent health contracts	By way of lump sums			31						
	By way of periodical payments			32						
	Total permanent health claims (31+32)			39						
Other contracts	By way of lump sums			41						
	By way of periodical payments			42						
	Total claims (41+42)			49						
Total claims (19+29+39+49)				59	6228		6228			
Total claims at line 59 attributable to	UK contracts			61						
	Overseas contracts			62	6228		6228			

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

1 The investigation relates to 31 December 2004.

2 The last investigation related to 31 December 2003.

3 The valuation has been made in conformity with PRU 7.3.10R.

4 (1)

- (a) Business which can only be accumulating with-profits is described in this section. Business which can be unit linked or accumulating with-profits is included in Section 5.

United Kingdom**Norwich With Profits Bond (issued prior to 3 June 1996)**

This is a life assurance accumulating with-profits whole life policy on a single life or joint life second death basis, and bought by single premium. The minimum investment was £5,000. On death, 101% of the bid value of units plus any final bonus will be payable.

- (i) The bond may be completely surrendered at any time by cancelling all the units held. However, full or partial surrender in the first five years will be subject to a charge consisting of a percentage of the bid value of the units, after any allowance for final bonus or Market Value Reduction, according to the following scale:

Year of surrender	1	2	3	4	5	6 onwards
%	5.0	4.0	3.0	2.0	1.0	nil

The Market Value Reduction is not applied to death claims or regular withdrawals. The Market Value Reduction will be applied to protect the remaining with-profits policyholders, and be triggered by falls in asset values or by substantial volumes of withdrawals.

An annual management charge of 0.75% of the fund value is allowed for in bonus declarations.

- (ii) A Market Value Reduction has been applied at certain times during the report period. The Market Value Reduction was expressed as a scale varying by year of unit purchase and the scale was revised on a number of occasions to reflect changing investment conditions.
- (iii) There are no guaranteed investment returns nor bonus rates.
- (iv) Surrender values are not guaranteed.
- (v) There are no material options.

Norwich With Profits Bond (issued from 3 June 1996 to 5 April 1997)

This is similar to the original bond, described above, with the following exceptions:

- (i) For full or partial surrender in the first five years the charges are as follows:

Year of surrender	1	2	3	4	5	6 onwards
%	8.0	7.0	5.0	4.0	2.0	nil

A monthly administration charge of 0.08% is taken daily by deduction from units, for the first 6 years.

An annual management charge of 0.75% of the fund value is allowed for in bonus declarations.

- (iii) Special Offers were made, first from 2 June 1996 to 2 September 1996, and secondly from 4 November 1996 to 4 February 1997. These guaranteed a minimum regular bonus rate up to 2 June 1997 or up to 4 November 1997 respectively as shown in the following table:

Contribution (£)	Special Offer 1 Minimum guaranteed regular bonus rate % pa	Special Offer 2 Minimum guaranteed regular bonus rate % pa
5,000 - 14,999	7.0	7.5

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

15,000 - 24,999	8.0	8.5
25,000 - 49,999	9.0	9.5
50,000 and over	10.0	10.5

- (iv) The Special Offers 2 series guarantees a minimum surrender value on the tenth policy anniversary of the single premium, provided there have been no withdrawals.

Norwich Bicentenary Bond (issued from 7 April 1997 to 17 May 1998)

This is similar to the previous series of bonds, with the following exceptions:

- (iii) The guaranteed bonus rates apply for all of the first policy year and are at the same rates as shown for Special Offer 1 above, up to 15 January 1998, and Special Offer 1 reduced by 0.5% from 16 January 1998.
- (iv) There is a minimum guaranteed surrender value on the tenth policy anniversary of the single premium provided there have been no withdrawals.

Norwich Bicentenary Bond (issued from 16 May 1998 to 31 August 1999)

This is similar to the previous series, with the following exceptions:

- (i) For full or partial surrender in the first five years, the charges are:

Year of surrender	1	2	3	4	5	6 onwards
%	8.0	7.5	6.0	4.0	2.0	nil

A monthly administration charge of 0.105% is taken daily by deduction from units for the first five years. An annual management charge of 0.75% of the fund value is allowed for in bonus declarations.

- (iii) An extra bonus was paid on the first policy anniversary by creating extra units, at the rates shown in the following table:

Contribution (£)	Extra Bonus (%)	
	Up to 4 October 1998	From 5 October 1998
5,000 - 14,999	0.50	0.50
15,000 - 24,999	1.50	1.75
25,000 - 49,999	2.50	3.25
50,000 - 99,999	3.50	4.00
100,000 and over	3.50	4.25

Norwich Bond 2000 (from February 2000 to 2 October 2000)

This is similar to the previous Bonds with the following exceptions:

- (i) For full or partial surrender in the first 5 years, the charges are:

Year of surrender	1	2	3	4	5	6 onwards
%	9.0	8.0	7.0	6.0	4.0	nil

An annual management charge of 1.5% of the fund value is allowed for in bonus declarations

- (iii) An extra bonus was paid on the first anniversary by creating extra units, at the rates shown in the following table:

Contribution (£)	Extra Bonus (%)
15,000 - 19,999	1.0
20,000 - 49,999	1.6
50,000 - 99,999	2.5
100,000 and over	3.0

For bonds taken out in 2001 there is a final bonus of 1.25% of the unit value earned proportionately through the first policy year and thereafter until further notice and payable in the event of a claim.

A loyalty bonus 3.25% of the units in the bond will be added at the tenth anniversary and on every fifth anniversary thereafter.

Norwich Long Term Care Bond

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

This is identical to a Norwich Flexi Bond (see Section 5(1)) with the unitised with-profits investment option only.

- (i) The bond provides annual withdrawals of 4% of the contribution (for ages 50 to 59) or 5% (ages 60 to 75) to fund the regular premiums under a Future Assured (Long Term Care) contract.
- (v) An option can be added to guarantee that the death benefit is a minimum of the original contribution. The cost of the option is met by cancelling units.

Accumulating With Profits Contracts: Reassurance Accepted from CGNU Life Assurance Limited

These contracts are a 20% quota share of all relevant business written by CGNU Life Assurance Limited from 1 October 2000 to 31 December 2001 and 10% from 1 January 2002 to 31 December 2003. Details of the underlying contracts can be found in CGNU's FSA Returns.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Accumulating With Profits Contracts: Reassurance Accepted from Norwich Union Life (RBS) Ltd

From 28 January 2002 to 31 December 2003 the Company was the accepting reinsurer for the With Profit Bond contract written by Norwich Union Life (RBS) Ltd (referred to in the returns as the Joint Venture With Profit Bond). The treaty is on a quota share basis with 10% being reassured to the company. The contract terms are as follows.

The contract is a single premium United Kingdom reinsurance accepted whole life assurance and is classified as life assurance and general annuity business. Benefits may be linked to the Unitised With Profit Life Fund, the Unitised With Profit Income Fund or a combination of both.

(i) Deductions from identifiable current benefit

If units are held for less than 5 years, a charge is applied to the bid value of units as follows. The charge is not applied on death, nor to 'protected withdrawals' (see below). The surrender value is equal to the bid value of units, after any allowance for final bonus or market value reduction, less an early redemption charge in the case of surrenders during the first 5 years of the policy. The charge applies where the amount surrendered exceeds 10% of the initial investment and is applied to the amount withdrawn that exceeds 10% according to the following scale:

Year	Charge
1	8%
2	7%
3	5%
4	3%
5	1%

The company reserves the right to adjust the value of units by applying a market value reduction. The adjustment is not applied on death nor to 'protected withdrawals' (see below).

The adjustment is applied at the company's discretion. In determining a Market Value Reduction (MVR) the investment return of the With Profits Fund is compared with the return credited to the units being cancelled. An MVR may be applied when the investment performance is less than the credited return.

A discretionary final bonus may also be added or adjusted at any time.

(ii) A market value reduction has been applied at certain times during the report period. The Market Value Reduction was expressed as a scale varying by month of unit purchase and the scale was revised on a number of occasions to reflect changing investment conditions.

(iii) The price of units in the Unitised With Profits Life Fund is guaranteed never to fall.

There is a guaranteed first anniversary bonus, paid on the business day prior to the first policy anniversary. The rate of this bonus is dependent upon the amount originally invested into the bond. Prior to 1 August 2002, the bonus varies from 0% up to 3.5% for investment over £100,000. For policies written on and after 1 August 2002, the bonus varies from 0% up to 1.25% for investment over £100,000. An additional bonus of 1.5% is paid for policies written between 21 October 2002 and 19 December 2003, for all investment amounts.

A Loyalty bonus of 0.5% is payable against the number of units remaining in the bond at the close of business on the day prior to the each anniversary from the sixth anniversary onwards. The Loyalty bonus is paid by adding extra units.

(iv) In the case of investments in the Unitised With Profit Life Fund there is a money back guarantee on the tenth anniversary of the policy. The amount guaranteed is the initial investment reduced in proportion to the number of units cancelled through withdrawals and switches. There is no money back guarantee for investments in the Unitised With Profit Income Fund.

(v) Regular withdrawal option enables regular payments to be taken from the Bond. Regular withdrawal options are not available where there are investments in the Unitised With Profit

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Income Fund. For certain regular withdrawals from the Unitised With Profits Life Fund there is a guarantee not to apply either a surrender charge or a Market Value Reduction. This applies provided the withdrawal is less than 7.5% p.a. of the initial investment and this facility was set up from inception or after outset at a time when no Market Value Reduction was applying. For Unitised With Profit Income fund, no Market Value Reduction is applicable to the income payments up to the total bonus rate at that time.

Policyholders may switch funds between the Unitised With Profit Life Fund and the Unitised With Profit Income Fund.

Accumulating With Profits Contracts: Reassurance Accepted from Norwich Union International Limited

From 30 September 2002 to 31 December 2003 the Company was the accepting reinsurer for the With Profit Bond contract written by Norwich Union International Limited, a company incorporated in the Dublin International Financial Services Centre (referred to in the returns as the Norwich Union International With-Profit Bond). The treaty is on a quota share basis with 10% being reassured to the company. The contract terms are as follows. It is a whole life assurance and is classified as overseas life assurance and general annuity business. Benefits are linked to the Unitised With Profit Pension Fund.

(i) Deductions from identifiable current benefit

If units are held for less than 5 years, a charge is applied to the bid value of units as follows. The charge is not applied on death, nor to certain regular withdrawals (see below). The surrender value is equal to the bid value of units, after any allowance for final bonus or market value reduction, less an early redemption charge in the case of surrenders during the first 5 years of the policy. The early cash-in charge is applied to the money originally invested according to the following scale:

Year	Charge
1	9.9%
2	8.0%
3	6.0%
4	4.0%
5	2.0%

The company reserves the right to adjust the value of units by applying a market value reduction. The adjustment is not applied on death nor to 'protected withdrawals' (see below).

The adjustment is applied at the company's discretion. In determining a Market Value Reduction (MVR) the investment return of the With Profits Fund is compared with the return credited to the units being cancelled. An MVR may be applied when the investment performance is less than the credited return. A discretionary final bonus may also be added or adjusted at any time.

- (ii) No allowance for the application of a Market Value Reduction has been included in column 12 of Form 52.
- (iii) The price of units in the Unitised With Profits Pension Fund is guaranteed never to fall.
- (iv) There is a money back guarantee on the tenth anniversary of the policy. The amount guaranteed is the initial investment reduced in proportion to the number of units cancelled through withdrawals.
- (v) Regular withdrawal option enables regular payments to be taken from the Bond. For certain regular withdrawals from the Unitised With Profits Life Fund there is a guarantee not to apply either a surrender charge or a Market Value Reduction. This applies provided the withdrawal is less than 7.5% p.a. of the initial investment and this facility was set up from inception or after outset at a time when no Market Value Reduction was applying.

Group Defined Benefits

This is a pension business accumulating with-profits pure endowment designed to provide benefits for groups of at least 5 employees, which can be used for contracting out of the State Earnings Related Pension Scheme. Each policy has a chosen retirement age to which employees may contribute a fixed

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

percentage of salary, while employers contribute by the controlled funding method. On retirement cash may be taken up to the Inland Revenue limits and the balance used to purchase an annuity.

(i) Transfer values could be subject to a Market Value Reduction (see Section 5(2)).

(ii) A Market Value Reduction has been applied at certain times during the report period.

The Market Value Reduction was expressed as a scale varying by year of unit purchase and the scale was revised on a number of occasions to reflect changing investment conditions.

(iii) There is a continuing guaranteed minimum rate of regular bonus of 4% pa in respect of units purchased to 31 December 1998. From 1 January 1999 the guaranteed bonus rate applied to units purchased by subsequent premiums is reduced to zero.

(iv) There are no guaranteed surrender values.

(v) There are no material options.

A similar contract is available in Minor Sterling branches.

(b) The Company has no deposit administration type business.

(c) Further details on specific contracts are shown below:

United Kingdom & Minor Sterling

Low Start Endowment Insurances

These are included with Endowment Insurances, the premium increases by 20% of the initial level on the first five policy anniversaries. The premium shown in Form 51 is at the current level.

Fixed Term

These policies provide a capital sum on the maturity date only, but premiums cease at death. Any bonuses attaching are payable on death or maturity.

Creditor Life

The Company transacts Creditor Life business effected by single premiums, regular premiums or recurrent single premiums. The Company issues group master policies for which the agent is the policyholder. Under these contracts the agent is empowered to issue certificates of insurance to its debtors. There is no underwriting by the Company but the insured debtors must satisfy certain criteria as to age, health and the current level of insurance. The certificates issued are level and decreasing term assurances on a single or joint life basis. The certificate term is the term of the loan and may be any number of months up to 120. The sum assured is the settlement figure which will discharge the indebtedness with the Agent, excluding arrears. The maximum permitted age at expiry is 65.

At the end of 1999 the long term Creditor business transacted by London & Edinburgh Life Assurance Co Ltd (LELAC) was transferred into the long term fund of the Company. This business is similar to that already transacted by the Company, with the exception that for contracts with original terms of five years or more the sickness benefit is written in the long term business fund. In addition, for some of these contracts the maximum permitted expiry age is 75.

With Profits Annuity in Payment

These are pensions immediate annuities written on a single or joint life basis. The policyholder selects an Anticipated Bonus Rate in the range 0% to 5% and this is used to determine the amount of the guaranteed annuity. The policyholder has the option to change the Anticipated Bonus Rate at any time but only two changes are permitted free of charge.

At each subsequent policy anniversary, the guaranteed annuity is rebased to allow for the difference between the Regular Bonus Rate and the Anticipated Bonus Rate. Payments in that policy year will also be increased by the Additional Bonus Rate. The Regular and Additional Bonus Rates used will be those in force one month before the policy anniversary.

The contract provides a guarantee that the annual annuity will never be less than that which could have been selected using a zero anticipated bonus rate. There is an option to convert to a conventional pension annuity (either level or escalating at 3%) at any time after the first policy anniversary. The terms will be determined by reference to the notional with-profits transfer value and current annuity rates at the time.

Annuity in Payment (Long Term Care)

These are immediate annuities to provide income for care services, either in the annuitant's own

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

accommodation or in a residential or nursing home.

Future Assured (Long Term Care) Contracts

These are regular premium long term care plans which provide a range of benefits from provision of care devices and care support to residential/nursing care depending on the policyholder's inability to meet specific activities of daily living.

Equity Release Guarantees

These are guarantees provided to Norwich Union Equity Release Limited, a company offering equity release type loans. The loans accumulate with interest and are repaid by the sale of the property on the death or long term care claim of the householder. The guarantee covers any shortfall on the termination of the equity release contract. This business is reported under Miscellaneous Group Whole Life and is totally reinsured.

General

Some policies contain guaranteed surrender values. These are as required by legislation in Belgium except for Whole Life type written from 30 June 1995. The guaranteed surrender values are fully covered by the mathematical reserves. Minimum surrender values have also been offered for the United Kingdom policies used as collateral security on a mortgage, but these would only be operative following default and a loss on sale. A minimum guarantee has also been offered on some policies in connection with schemes at Lloyds underwriters involving a call on assets. These guaranteed values are normally below current surrender value scales except at short durations, and also below mathematical reserve levels. Surrender values are also guaranteed on Italian business reinsured with the Company.

Some whole life policies have been issued with an option to convert into an endowment insurance. Convertible term insurances are temporary insurances with an option to convert to endowment insurance or whole life. Child's policies allow a new policy to be effected at maturity on the life of a child. Some policies allow a new policy to be effected at maturity, or for the sum insured to be increased at various times, generally in line with a cost-of-living index. Where an option exists to take a new policy or increase the old one without underwriting, the option is nearly always exercised at the premium rates then current, with the exception of older Child's policies and some short-term temporary insurances, where the premium is fixed on scales at the outset.

Some temporary insurances and temporary decreasing insurances include terminal illness and critical illness cover.

Most deferred annuity policies contain cash options. For pensions business, these determine the basis for tax free cash (if relevant) or the transfer value for an open market transfer to another provider.

The conventional pensions business pure endowment contract for the self employed contains guaranteed annuity options, generally to provide minimum single life pensions benefits.

Some group business contracts contain premium rate guarantees. These are for periods up to 5 years from outset and apply to recurring single premium costed business.

Current PHI business contains options to increase the benefits annually in line with increases in the Retail Price Index. The premium rates are guaranteed for the first 5 years of the contract, and are then reviewable annually. Premiums are waived while the policyholder is in receipt of claims benefits.

Earlier PHI business contains various automatic increase options and claims escalation options.

5 (1)

(a) United Kingdom: Bicentenary Bond (issued from 1 September 1999)

(b) This is a life insurance unitised whole life bond, written as direct business. The unit liabilities (except for with-profits) and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.

(c) The minimum single premium is £5,000.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

- (d) The bond is written automatically as a series of up to 250 identical policies. The amount payable on death is 101% of the bid value of the units held. Where two lives are insured, the death benefit is payable on the second death. There is a regular withdrawal facility (only available where the contribution is £10,000 or more) which operates from outset or at any subsequent time. The maximum withdrawal is 6.5% of the contribution, the minimum is £50 per instalment.
- (e) The Deposit Fund bid price is guaranteed not to reduce. In the With Profits Fund there is a minimum guaranteed surrender value on the 10th policy anniversary of the single premium, provided no withdrawals or switches have been made. There is a guaranteed extra bonus rate depending on the initial contribution, but applied to the contribution less withdrawals. This applies to all investment funds, and secures extra units on the business day before the first policy anniversary split between the funds in proportion to their value on that day. The rates are:

Contribution (£)	Extra Bonus Up to 25 June 2000 (%)	Extra Bonus From 26 June 2000 (%)
5,000 – 14,999	0.5	0.5
15,000 – 24,999	1.8	2.75
25,000 – 49,999	3.4	3.4
50,000 – 99,999	4.2	4.2
100,000 and over	4.4	4.4

- (f) The margins available for all expenses and commission are:
- An annual management charge of 0.75% of the value of the fund, which also covers the mortality risk.
 - A limited administration charge of 0.105% per month of the bid value of units for the first five years.
 - A charge of £20 for the third switch and nine subsequent switches in one policy year, and 0.5% of the switch value thereafter (subject to a minimum of £20).
- (g) The annual management charge and switch charge may vary.
- (h) The bond may be surrendered at any time for the full bid value of units subject to the deduction of the following early surrender charges:

Year of surrender	1	2	3	4	5	6 onwards
%	8.0	7.5	6.0	4.0	2.0	nil

Surrender or switching of units from the With Profits Fund may include any final bonus entitlement and may be subject to a Market Value Reduction (MVR) (see Section 5(2)). Individual MVR's may apply to certain transactions.

- Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
 - Not applicable
 - The contract is closed to new business
 - There were no increases in charges during the year.
- (a) **United Kingdom: Norwich Flexi Bond**
- This is a life insurance unitised whole life bond, written as direct business. The unit liabilities (except for with-profits) and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.
 - The minimum single premium is £5,000, and additional contributions are permitted.
 - The bond is written automatically as a series of up to 250 identical policies. The amount payable on death

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

is 101% of the bid value of the units held. Where two lives are insured, the death benefit is payable on the second death. There is a regular withdrawal facility which operates from outset or at any subsequent time. The maximum withdrawal is 7.5% of the contribution, the minimum is £50 per instalment.

(e) The Deposit Fund bid price is guaranteed not to reduce. In the With Profits Fund there is a minimum guaranteed surrender value on the 10th policy anniversary of the single premium, provided no withdrawals or switches have been made.

(f) The margins available for all expenses and commission are:

(i) A bid/offer spread of 5% plus rounding, subject to the allocation proportion which varies with size of single premium, as follows:

Single Premium (£)	Allocation Rate %
5,000 - 14,999	100.0
15,000 - 24,999	101.5
25,000 - 49,999	102.75
50,000 and over	103.0

(ii) An annual management charge of 0.75% of the value of the fund, which also covers the mortality risk.

(iii) A charge of £20 for the third switch and nine subsequent switches in one policy year, and 0.5% of the switch value thereafter (subject to a minimum of £20).

(g) The annual management charge and switch charge may vary.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

- (h) The bond may be surrendered at any time for the full bid value of units subject to the deduction of the following early surrender charges:

Year of surrender	1	2	3	4	5	6 onwards
%	5.0	4.0	3.0	2.0	1.0	nil

Surrender or switching of units from the With Profits Fund may include any final bonus entitlement and may be subject to a Market Value Reduction (MVR) (see Section 5(2)). Individual MVR's may apply to certain transactions.

- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
- (j) Not applicable
- (k) The contract is closed to new business except for additional contributions
- (l) There were no increases in charges during the year.

(a) United Kingdom: Managed Portfolio

- (b) This is a life insurance without profits whole life bond, written as direct business. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) The minimum single premium is £5,000. No subsequent additions are permitted.
- (d) The bond is written automatically as a series of up to 20 identical policies. The amount payable on death is 101% of the bid value of the units held. Where two lives are insured, the death benefit is payable on the second death. There is a regular withdrawal facility which operates from outset or at any subsequent time in the form of a fixed monetary amount: the minimum investment is £10,000 for monthly and £5,000 for quarterly, termly, half yearly and yearly withdrawals. For bonds with an initial investment of at least £20,000, a distribution option is available when the investment is held totally in one of the Cautious, Balanced, Managed, Property or Corporate Bond funds. The option provides the net of tax return on the fund for the relevant period, and is subject to similar cash limits to regular withdrawals, except that no Termly Cash Withdrawals are permitted.
- (e) The Deposit Fund bid price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns.
- (f) The margins available for all expenses and commission, after allowing for an allocation rate ranging from 100% to 103.25% depending upon the size of the single premium, are:
- (i) An annual management charge of 0.75% of the value of the fund which also covers the mortality risks.
- (ii) A limited administration charge of 0.095% per month of the bid value of units for the first five years.
- (iii) A charge of £20 for the third switch and nine subsequent switches in one policy year, and 0.5% of the switch value thereafter (with a minimum of £20).
- (f) The annual management charge and switch charge may vary.
- (h) The bond may be surrendered at any time for the full bid value of the units less the following early surrender charges:

Year of surrender	1	2	3	4	5	6 onwards
%	8.0	7.0	5.0	4.0	2.0	nil

- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internally linked funds.
- (j) Not applicable.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

- (k) The contract is closed to new business.
- (l) There were no increases in charges during the year.

(a) United Kingdom: Norwich Savings Plan

- (b) This is an individual unitised endowment policy, written as direct business. The unit liabilities (except for with-profits) and the mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums may be payable yearly or monthly. A low start version was also issued.
- (d) The plan is available for terms between 5 and 50 years and may be written on a single life or joint life second death basis. The amount payable on death for terms between 5 and 9 years is 101% of the bid value of the units. For terms between 10 and 50 years the greater of the guaranteed death benefit and the bid value of the units held will be paid. The cost of the guaranteed death benefit is met by cancelling an appropriate number of units, at the bid price on a monthly basis. The charges for mortality risks are not guaranteed. At maturity the full bid value of the units allocated is payable. In the With Profits Fund there is a continuing guaranteed minimum rate of regular bonus of 2.5% pa in respect of units purchased to 31 December 1998. Units bought from 1 January 1999 have a guaranteed bonus rate of zero.
- (e) The Deposit Fund price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns, except the minimum bonus rate in the With Profits Fund.
- (f) The margins available for expenses and commission are:
 - (i) A low investment allocation rate for the designated periods. For monthly level contribution plans the allocation rates are:

Initial Period	Balance of 10 Years	Thereafter
(%)	(%)	(%)
65	103	105

Examples of the initial period are 16 months for 10 year contracts, 24 months for 15 year contracts, 31 months for 20 year contracts.

- (ii) A bid/offer spread of 5% plus rounding.
 - (iii) An annual management charge of 0.75% of the value of the fund.
 - (iv) A plan fee of £1.52 per month, paid by cancellation of units.
 - (v) A switch charge of £15 for second and subsequent fund switches in any policy year.
- (g) The annual management charge, plan fee and switch charge may vary.
 - (h) On surrender, for terms between 5 and 9 years, a penalty is applied during the first 5 years to the bid value of units. For terms 10 years and longer the surrender value is the full bid value of the units, after at least one year's premium has been paid. Surrender or switching of units from the With Profits Fund may include any final bonus entitlement and may be subject to a Market Value Reduction (see Section 5(2)).
 - (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
 - (j) The plan provides a continuation option. The plan can also include a waiver of premium benefit up to age 60 while the policyholder is unable to work due to accident or illness. The cost of this is met monthly by cancelling units. The charge for this risk is guaranteed.
 - (k) The plan is closed to new business except for one special arrangement. Additional single premiums can be added to the 5 to 9 years version.
 - (l) The plan fee is reviewed each 1 January, and was increased from £1.48 at 1 January 2004.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004****(a) United Kingdom: Investment and Life Plan and Lifetime Benefit Plan**

(b) These are similar life assurance unitised whole life policies, written as direct business. The unit liabilities (except for with-profits) and the mortality and critical illness risks are reinsured with Norwich Union Linked Life Assurance Limited.

(c) Premiums may be payable yearly or monthly.

(d) The plans can be written either on a single life or joint life basis. The amount payable on death is the greater of the guaranteed death benefit selected and the bid value of the units. For the Lifetime Benefit Plan the amount payable on death or on diagnosis of one or more certain specified illnesses is the greater of the Guaranteed Death Benefit and the bid value of units payable on the first claim. The Guaranteed Death Benefit may be selected across the range of Minimum, Balanced or Maximum cover. The cost of the death and critical illness benefits is met by cancelling units. The charges for these risks are not guaranteed. In the With Profits Fund there is a continuing guaranteed minimum rate of regular bonus of 2.5% pa applicable to units purchased to 31 December 1998. Units brought from 1 January 1999 have a guaranteed bonus rate of zero.

The plan is reviewed at the 10th policy anniversary and at least every 5 years thereafter, to check the maintainability of the guaranteed benefits.

(e) The Deposit Fund price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns, except the minimum bonus rate in the With Profits Fund.

(f) The margins available for expenses and commissions are:

(i) A low investment allocation for a designated period. Examples for monthly premiums are:

Age next birthday at Outset	Months of Initial Allocation	Initial Allocation %	Final Allocation %
40 & below	48	60	103
50	43	60	103
60	38	60	103
70	24	60	103

(ii) A bid/offer spread of 5% plus rounding.

(iii) An annual management charge of 0.75% of the value of the fund.

(iv) A plan fee of £1.52 per month, paid by cancellation of units.

(v) A switch charge of £15 for second and subsequent fund switches in any year.

(g) The annual management charge, plan fee and switch charge may vary.

(h) On surrender or switch the units in the investment linked funds will be cashed for the full bid value provided 12 months contributions or one yearly contribution have been paid. Those in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction which can reduce the value of the units (see Section 5 (2)).

(i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.

(j) Provided the plan remains in full force, it provides guaranteed insurability options to increase guaranteed benefits.

(i) On each plan anniversary up to age 60 by the RPI increase, with a minimum of 5%.

(ii) On marriage by up to 30% with a maximum of £30,000.

(iii) On the birth or adoption of a child, by up to 30% with a maximum of £30,000.

The plan can also include a waiver of premium benefit up to age 65 while the policyholder is unable to work due to accident or illness. The cost is met monthly by cancelling units.

(k) The contract is closed to new business, except for increments.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

(l) The plan fee is reviewed each 1 January, and was increased from £1.48 at 1 January 2004.

(a) United Kingdom: Critical Illness Plan

(b) This is a unitised whole life policy, written as direct business. The unit liabilities and mortality and critical illness risks are reinsured with Norwich Union Linked Life Assurance Limited.

(c) Premiums can be payable yearly or monthly.

(d) The plans can be written either on a single or joint life basis. The amount payable on diagnosis of one or more specified illnesses is the greater of the Guaranteed Benefit and the bid value of units. The Guaranteed Benefit may be selected across the range of Balanced, Target or Maximum cover. The cost of the critical illness benefits is met by cancelling units. This charge is not guaranteed.

On death, 101% of the bid value of units is paid. If the insured dies within 28 days of being diagnosed with a specified illness, then the claim is treated as a death.

The plan is reviewed at the 10th policy anniversary, and at least every 5 years thereafter, to check the maintainability of the guaranteed benefits.

(e) There are no guaranteed investment returns.

(f) The margins for expenses and commission are:

(i) A low investment allocation for the designated period. For monthly premiums the allocation rates are:

Initial Period	Balance of 10 Years	Thereafter
(%)	(%)	(%)
55	90	105

The initial allocation period is the same as for the Investment and Life Plan.

(ii) A bid/offer spread of 5% plus rounding.

(iii) An annual management charge of 0.75% of the value of the fund.

(iv) A plan fee of £1.52 per month paid by cancellation of units.

(g) The annual management charge and plan fee may vary.

(h) On surrender the investment funds will be cashed for the full bid value. The cash value for a surrender within twelve months of commencement will be zero.

(i) Benefits are wholly determined by investment in the Reinsurer's Managed Fund.

(j) Personal and business versions of the plan are offered. The personal version includes critical illness benefit on the insured's children for benefits up to £15,000.

(k) The plan is closed to new business, except for increments.

(l) The plan fee is reviewed each 1 January, and was increased from £1.48 at 1 January 2004.

(a) United Kingdom: Flexible Mortgage Plus and Flexible Mortgage Plus with Lifetime Benefit - issued up to 28 April 1996

(b) These are life assurance unitised endowment insurance contracts, written as direct business. The unit liabilities (except for with profit) and the mortality and critical illness risks are reinsured with Norwich Union Linked Life Assurance Limited.

(c) Premiums may be payable yearly or monthly. The contract could be purchased either by level contributions or by low start contributions.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

- (d) The amount payable on death is the greater of the Guaranteed Death Benefit (normally set to the amount of the mortgage loan) and the bid value of units allocated to the plan. Policies may be effected for terms between 10 and 40 years with a maximum entry age of 70. There is a choice of single life or joint life first death bases. For payment of a higher contribution under the Lifetime benefit version, the larger of the bid value of units allocated and the Guaranteed Lifetime Benefit is payable on the earlier death or diagnosis of certain specified illnesses during the policy term. The cost of the death or critical illness benefit is met by cancelling units. The charges for these risks are not guaranteed. For units held in the With Profits Fund there is a continuing guaranteed minimum rate of regular bonus of 2.50% pa in respect of units purchased to 31 December 1998. For units bought from 1 January 1999 there is a guaranteed bonus rate of zero.

The plan is reviewed on the 10th policy anniversary, and at least every 5 years thereafter, to ensure that its value will be sufficient to fully repay the mortgage.

- (e) The Deposit Fund price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns, except the minimum bonus rate in the With Profits Fund.
- (f) The margins for expenses and commission are:
 - (i) A low investment allocation for a designated period.
 - (ii) A bid/offer spread of 5% plus rounding.
 - (iii) An annual management charge of 0.75% of the value of the fund.
 - (iv) A plan fee of £1.52 per month, paid by cancellation of units.
 - (v) A switch charge of £15 for second and subsequent fund switches in any year.
- (g) The annual management charge, plan fee and switch charge may vary.
- (h) On surrender or switch the units in the investment linked funds will be cashed for the full bid value provided 12 monthly contributions or one yearly contribution have been paid. Those in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction which can reduce the value of the units (see Section 5(2)).
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
- (j) Provided the plan remains in full force, it provides guaranteed insurability options for further guaranteed benefits:
 - (i) For an increase in mortgage, with a maximum of the original guaranteed death benefit. The option does not apply to the critical illness benefit.
 - (ii) For an extension of the mortgage term.

The premium will be changed accordingly. The plan can also include a waiver of premium benefit up to age 65 while the policyholder is unable to work due to accident or illness. The cost is met monthly by cancelling units. The charge for this risk is not guaranteed.

- (k) The contracts are closed to new business except for increments.
- (l) The plan fee is reviewed each 1 January, and was increased from £1.48 at 1 January 2004.

(a) United Kingdom: Flexible Mortgage Plus and Flexible Mortgage Plus with Critical Illness Cover - issued from 29 April 1996

- (b) These are similar to the original contract, except:
- (d) (i) A double plan option is offered to two lives insured, each plan aiming to repay half the mortgage.
- (ii) There is no guaranteed minimum bonus rate.
- (f) (i) The investment allocations for monthly premium contracts are:

	Initial Period (%)	Thereafter (%)

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

Up to 19 July 1998	50	105
From 20 July 1998	52	105

Examples of the initial period are 16 months for 10 year contracts, 24 months for 15 year contracts and 31 months for 20 year contracts.

- (iii) The cost of any loyalty units is deducted from the annual management charge.
- (v) From 20 July 1998, the switch charge is £20 for the third and nine subsequent switches in one policy year, and 0.5% of the switch value thereafter (subject to a minimum of £20).

- (j) The maximum mortgage increase option is the lower of the original mortgage or £100,000, but increases in critical illness cover are allowed.

Loyalty units are awarded monthly after the fifth plan anniversary at 0.05% (for business written up to 19 July 1998) or 0.055% (for business written from 20 July 1998) of the bid value of units held. No further loyalty units will be added if the plan is made paid up.

- (k) The plan is closed to new business, except for increments.

(a) United Kingdom: Norwich Investment Bond

- (b) This is a life assurance without profits whole life policy, written as direct business. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.

- (c) The contract is purchased by single premium.

- (d) The death benefit is the bid value of the units held on the date notification is received by the Company, multiplied by a factor, varying with age on the date of such notification. Examples of these factors at various ages for males are as follows:

Age at notification of death	30	40	50	60	70	80	99
Factor	3.050	2.260	1.400	1.140	1.050	1.020	1.005

Female lives are rated down four years.

- (e) The Deposit Fund bid price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns.

- (f) The margins available for expenses and commission are:

- (i) The bid/offer spread of 5% plus rounding, but subject to the allocation proportion which varies with size of single premium.
- (ii) An annual management charge of 0.4% for the Equity Fund and 0.5% for other funds. (Some policyholders have opted to switch to a later series of investment funds, where the annual management charge is 0.75% of the fund value).
- (iii) A switch charge of £15 for second and subsequent switches in a policy year.

- (g) The annual management charge is fixed for the old series of investment funds.

- (h) The bond may be surrendered for the full value of the units held. Partial surrenders are allowed to provide a regular income only on condition that the amount of the initial investment and the minimum value remaining, both satisfy the Company's current minima.

- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.

- (j) In the case of substandard lives the additional mortality risk is reflected by an addition to the actual age of entry. For non-underwritten business, an entry age of 70 for males or 74 for females is assumed.

- (k) The contract is closed to new business.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

(l) There were no increases to charges during the year.

(a) United Kingdom: Norwich Investment Portfolio

(b) This is a life insurance without profits whole life bond, written as direct business. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.

(c) The minimum single premium is £2,500 and £1,000 for any subsequent additions.

(d) The bond is written automatically as a series of up to 20 identical policies. The amount payable on death is 101% of the bid value of the units held, calculated at the next valuation following receipt of notice. Where two lives are insured, the death benefit is payable on the second death. There is a regular withdrawal facility which operates from outset or at any subsequent time; the minimum investment is £5,000 for monthly or quarterly and £3,000 for half-yearly or yearly withdrawals. A distribution option is available when the investment is held totally in one of the three Managed or Property Funds subject to specified minimum investment amounts. This option provides the net of tax return on the fund for the relevant period.

(e) The Deposit Fund bid price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns.

(f) The margins available for all expenses and commission are:

(i) The bid/offer spread of 5% plus rounding but subject to the allocation proportion which varies with size of single premium, as follows:

Single Premium (£)	Allocation Rate %
1,000 - 2,499	99.0
2,500 - 4,999	99.5
5,000 - 9,999	100.0
10,000 - 24,999	100.5
25,000 and over	101.0

(ii) An annual management charge of 0.75% of the value of the fund, which also covers the mortality risks.

(iii) A charge of £20.00 for third and subsequent switches in any policy year.

(g) The annual management charge and switch charge may vary.

(h) The bond may be surrendered at any time for the full bid value of the units held.

(i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.

(j) Not applicable.

(k) The contract is closed to new business, except for increments.

(l) There were no increases in charges during the year.

(a) United Kingdom: Capital Investment Bond

(b) This is a life assurance without profits whole life contract, written as direct business. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.

(c) The contract is purchased by single premium.

(d) The death benefit is the value of the units allocated increased by a factor which depends on the age at death.

Examples of these factors are as follows:

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

Age at notification of death	20	30	40	50	60	70	80
Male	2.50	2.50	1.55	1.18	1.05	1.01	1.01
Female	2.50	2.50	1.80	1.24	1.08	1.02	1.01

- (e) The Deposit Fund bid price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns.
- (f) The margins available for all expenses and commissions are:
- (i) A charge of £25.00, deducted from the first single premium, plus 4.05% of the remaining single premium.
- (ii) An annual management charge of 0.75% of the value of the fund, which also covers the mortality risks.
- (g) The annual management charge may vary.
- (h) On surrender, the bid value of the units allocated will be paid.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.
- (j) Not applicable.
- (k) The contract is closed to new business except for increments.
- (l) There were no increases to charges during the year.

(a) United Kingdom: Norwich Reinvestment Bond and Capital Reinvestment Bond

- (b) These are similar without profits whole life insurance contracts, written as direct business. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Single premiums transferring from the maturity proceeds of selected endowment insurance policies followed by a small annual premium.
- (d) The death benefit is the value of the units multiplied by a factor which reduces from 1.05 to 1.005 over 29 years. For the Capital Reinvestment Bond the death benefit remains at a constant factor of 1.01.
- (e) The Deposit Fund bid price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns.

(f) The margins available for all expenses and commission are:

- (i) A bid/offer spread of 5% plus rounding, but subject to the allocation rate which depend upon premium size. The allocation rates for the Capital Reinvestment Bond are:

Single Premium (£)	Allocation Rate %
Up to 1,499	99.0
1,500 - 4,999	101.5
5,000 - 14,999	102.0
15,000 – 249,999	102.5
250,000 and over	103.0

- (ii) Norwich Reinvestment Bond - annual management charge as for Norwich Investment Bond.
Capital Reinvestment Bond - an annual management charge of 0.75% of the value of the fund.
The annual management charge covers the cost of the mortality risk.
- (iii) A yearly premium of £2.00 or £5.00 per policy depending on series.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

- (g) The annual management charge may vary, except for Norwich Reinvestment Bonds invested in the old series of investment funds.
- (h) The bond may be surrendered at the bid value of the units held.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.
- (j) The Norwich Reinvestment Bond has been valued on the basis of an entry age of 70 for males and 73 for females.
- (k) The contracts are closed to new business.
- (l) There were no increases to charges during the year.

(a) United Kingdom: Norwich Life Investment Policy, Norwich Lifevestor Policy and Norwich Tenvestor Policy.

- (b) These are similar without profits life assurance whole life policies, written as direct business. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Contracts are purchased by regular premiums, for ten years in the case of Tenvestor or throughout life for the others.
- (d) The death benefit is a guaranteed sum insured determined according to the premium and age at outset or the bid value of the units if higher. Specimen guaranteed death benefits for a monthly premium of £10.00 for Norwich Life Investment Policy are as follows for males (Female lives are rated down four years):

Age next birthday at entry	20	40	60
	£	£	£
Guaranteed death benefit	5,050	3,250	1,500

If a policy is made paid-up the guaranteed minimum sum insured is cancelled. Options exist under policies with premiums limited to ten years to continue full premium payments for a further period of ten years but with no change to the guaranteed sum insured.

- (e) The Deposit Fund bid price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns.
- (f) The margins available for all expenses, commissions and mortality risks are:
 - (i) A low investment allocation rate for the first year, increasing for years 2 to 15, and increasing further thereafter. For Tenvestor, the maximum allocation rate is from year 11.
 - (ii) The bid/offer spread of 5% plus rounding.
 - (iii) An annual management charge of 0.4% for the Equity Fund and 0.5% for other funds.
- (g) The annual management charge is fixed.
- (h) On surrender the bid value of the units allocated will be paid.
- (i) Benefits are wholly determined by investment in any one or more of the Reinsurer's internal linked funds.
- (j) Not applicable.
- (k) The contracts are closed to new business.

(a) United Kingdom: Capital Accumulator Plan

- (b) This is a without profits life assurance ten year endowment policy with an option to continue for further ten

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

year periods. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.

- (c) Premiums may be payable yearly, quarterly or monthly.
- (d) The minimum death benefit is guaranteed, and examples of the benefit are:

Age next birthday at entry	Up to 56 £	60 £	65 £	70 £
Death benefit (as multiple of annual contribution)	7.5	6.7	5.7	4.7

The cost of the life cover is met monthly by cancelling units; the mortality charging basis is not guaranteed.

- (e) The Deposit Fund bid price for accumulation units is guaranteed not to reduce. Otherwise, there are no guaranteed investment returns.
- (f) The margins available for all expenses and commissions are:
- A bid/offer spread of 5% plus rounding, modified by the allocation conditions. In the first year capital units are purchased, and suffer annual charges of 6% for 10 years, thereafter accumulation units are purchased.
 - An annual management charge of 0.75% of the value of the fund.
 - A plan fee of £1.00 per month paid by cancellation of units.
 - A switch charge of £15 for second and subsequent switches in any year.
- (g) The annual management charge and switch charge may vary.
- (h) On surrender, the amount payable is the bid value of units less a percentage of the capital units. This percentage reduces to zero after 9 years.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.
- (j) On maturity, or earlier death, if the plan has not been made paid up, bonus units of 5% of the attaching units will be paid.
- (k) The contract is closed to new business.
- (l) There were no increases in charges during the year.

(a) United Kingdom: Norwich Capital Plan

- (b) This is a life assurance unitised whole life policy, written as direct business. The unit liabilities (except for with-profits) and the mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums are payable by single contribution.
- (d) Policies may be written on a single life or joint life second death basis. The amount payable on death is 101% of the bid value of the units (including final bonus for with-profits units) attaching at date of death. In the With Profits Fund there is a continuing guaranteed minimum rate of regular bonus of 2.5% pa applicable to units purchased to 31 December 1998. For units bought from 1 January 1999 there is a guaranteed bonus rate of zero.
- (e) The Deposit Fund price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns, except the minimum bonus rate in the With Profits Fund.
- (f) The margins available for expenses and commission are:
- A bid/offer spread of 5% plus rounding, modified by the investment allocation proportion.
 - An annual management charge of 0.75% of the value of the fund which also covers the mortality risks.
 - A switch charge of £15 for second and subsequent switches in any year.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

- (g) The annual management charge and switch charge may vary.
- (h) On surrender the units in the investment linked funds will be cashed for the full bid value. Those in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction which can reduce the value of the units (see Section 5 (2)). On surrender at the tenth policy anniversary, and at subsequent five yearly anniversaries, it is guaranteed that a Market Value Reduction will not be applied.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
- (j) Not applicable.
- (k) The contract is closed to new business except for additional single contributions.
- (l) There were no increases in charges during the year.

(a) United Kingdom: Norwich Units Policy

- (b) This is a life assurance without profits endowment assurance, written as direct business. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums can be payable yearly or monthly.
- (d) It is an endowment insurance with a guaranteed sum insured on death or maturity. On payment of each premium a proportion of the sum insured is invested in units, and the non-unit sum insured decreases by the same amount.
- (e) There are no guaranteed investment returns.
- (f) The margins available for expenses and commission come from the investment income from the assets behind these contracts.
- (g) Premiums and investment allocations cannot be changed.
- (h) Surrender values are calculated as the bid value of units attaching less an amount for capital gains tax based on the Reinsurer's contingent liability.
- (i) Benefits are linked to the value of the units in the UK Equity OEIC.
- (j) Policies are valued on a net premium basis, plus the capital appreciation of units (less a provision for capital gains tax) above the proportion of sum insured invested into units at the valuation date.
- (k) The contract is closed to new business.

(a) United Kingdom: Investment and Life Plan (Ex NUAM)

- (b) This is a without profits whole life assurance contract, written as direct business. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums may be payable yearly, quarterly or monthly.
- (d) At outset a level of life cover may be selected and this is guaranteed for 10 years. This guaranteed death benefit may be selected across the range of minimum, balanced or maximum cover. A plan review takes place after 10 years, and every 5 years thereafter, and annually once the policyholder is over age 70.

The cost of the life cover is met monthly by cancelling units; the mortality charging basis is not guaranteed.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

- (e) The Deposit Fund price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns.
- (f) The margins available for all expenses and commissions are:
 - (i) A low investment allocation rate for up to the first 4 years.
 - (ii) A bid/offer spread of 5% plus rounding.
 - (iii) An annual management charge of 0.75% of the value of the fund.
 - (iv) A plan fee of £1.52 per month paid by cancellation of units.
 - (v) A switch charge of £15 for second and subsequent switches in any year.
- (g) The annual management charge, plan fee and switch charge may vary.
- (h) On surrender the bid value of the units allocated will be paid.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.
- (j) The plan provides guaranteed insurability options to increase benefit:
 - (i) Annually, by RPI increase, with a minimum of 5%.
 - (ii) On marriage, by 25% with a maximum of £20,000.
 - (iii) On the birth or adoption of a child, by 25% with a maximum of £20,000.

In each case the premiums will be increased accordingly. The plan can also include waiver of premium benefits up to age 60 while the policyholder is unable to work, due to accident or illness. The cost of this is met monthly by cancelling units. The charge for this risk is guaranteed.

- (k) The contract is closed to new business, except for increments and options arising on existing business.
- (l) The plan fee is reviewed each 1 January, and increased from £1.48 at 1 January 2004.
- (a) United Kingdom: Flexible Mortgage Plan (Ex NUAM)**
- (b) This is a without profits life assurance endowment policy, written as direct business. The unit liabilities and mortality risks are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums may be payable yearly, quarterly or monthly. The contract could be purchased either by level contributions or by low start contributions.
- (d) The plan is designed to repay an interest only mortgage on the maturity date or earlier death. The plan is reviewed after 10 years, and then every 5 years, and every year for the last 5 years of its term. The cost of the life cover is met monthly by cashing units; the mortality charging basis is not guaranteed.
- (e) The Deposit Fund price is guaranteed not to reduce, otherwise there are no guaranteed investment returns.
- (f) The margins available for all expense and commissions are:
 - (i) A low investment allocation rate for up to the first 38 months.
 - (ii) A bid/offer spread of 5% plus rounding.
 - (iii) An annual management charge of 0.75% of the value of the fund, less the cost of any bonus units.
 - (iv) A plan fee of £1.52 per month paid by cancellation of units.
 - (v) A switch charge of £15 for second and subsequent switches in any year.
- (g) The annual management charge, plan and switch fee may vary.
- (h) On surrender the bid value of units allocated will be paid.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.
- (j) Provided the plan remains in full force, after 5 years from outset bonus units of 1/24% of the total number of units attaching are added each month.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

The plan can include waiver of premium benefits up to age 60 while the policyholder is unable to work due to accident or illness. The cost of this is met monthly by cancelling units. The charge for this risk is guaranteed.

- (k) The plan is closed to new business except for increments.
- (l) The plan fee is reviewed each 1 January, and increased from £1.48 at 1 January 2004.

- (a) United Kingdom: Executive Pension Plan and Group Additional Voluntary Contribution Plan (Issued up to 31 December 1994)**
- (b) These are exempt approved pensions business unitised pure endowments, written as direct business. The unit liabilities (except for with-profits) are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums may be payable yearly or monthly or by single contribution.
- (d) This plan is designed to provide benefits for individuals, groups of employees or directors. Each policy has a chosen retirement age and periodic premiums are payable to this age. On retirement, cash may be taken up to the Inland Revenue limits and the balance used to purchase an annuity either with the Company or from another pension provider. On death before retirement the bid value of the units allocated to the member's policy is returnable to the employer or the member's dependants or estate. In the With Profits Fund there is a continuing guaranteed minimum rate of regular bonus of 4.00% pa in respect of units purchased to 31 December 1998. For units purchased from 1 January 1999 the guaranteed bonus rate is zero.
- (e) The Building Society Deposit Fund provides security of capital. Otherwise there are no guaranteed investment returns, except in the minimum bonus rate in the With Profits Fund.
- (f) The margins for expenses and commissions are:
 - (i) A low investment allocation rate for a designated period.
 - (ii) A bid/offer spread of 5% plus rounding.
 - (iii) An annual management charge of 0.875% of the value of the fund.
 - (iv) A monthly plan fee of £3.86 (for Executive Pension Plan) or £2.89 (for Group AVC), paid by deduction from the premium.
 - (v) A switch charge of £15 for second and subsequent fund switches in any year.
- (g) The annual management charge will not exceed 1% of the fund. The monthly plan fee may vary.
- (h) On transfer or switch, the units in the investment linked funds will be cashed/transferred for the full bid value. Those in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction which can reduce the value of the units (see Section 5 (2)).
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
- (j) The plan permits additional life cover and dependant's benefits to be added as rider benefits. The Executive Plan provides a continuation option on leaving service to effect a whole life or endowment policy without further evidence of health.
- (k) The plans are closed to new business, except for new members and increments to existing plans.
- (l) The monthly charges are reviewed each 1 April, and increased from £3.77 and £2.83 respectively at 1 April 2004.

Similar contracts, but having only the With Profits Fund investment option, are available in Minor Sterling branches.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004****(a) United Kingdom: Executive Pension Plan & Group Additional Voluntary Contribution Plan (Issued from 1 January 1995)****(b)** These are similar to the business prior to 1 January 1995 with the following variations:**(d)** There is no minimum guaranteed bonus rate in the With Profits Fund.**(f) (i)** The investment allocations for monthly premiums of at least £100 are:

Initial Period (%)	Balance of 5 Years (%)	Thereafter (%)
60	102	105

Lower allocation rates apply for smaller premiums. Examples of the initial period are 12 months for 10 year contracts, 18 months for 15 year contracts and 24 months for 20 year contracts.

The investment allocation for single premium depends upon the size of the premium.

Single Premium (£)	Allocation Rate %
Up to 1,499	97.0
1,500 - 2,499	98.0
2,500 - 4,999	98.5
5,000 - 9,999	100.0
10,000 and over	101.0

(ii) There is an installation charge of £30 for new GAVC plans, and £48 for new EP plans.**(iii)** The cost of any loyalty units is deducted from the annual management charge.**(iv)** The monthly charges are as follows, and are paid by deduction from units.

	Regular Premium Business	Single Premium Business
Executive Pension Plan	£5.02	£3.76
Group AVC	£3.12	£1.88

(g) The annual management charge may vary.**(i)** From May 2000 for GAVC plans, Lifestyling and Phased switching is provided. This provides for progressive switching into more secure funds as the member approaches pension date. Two lifestyling switches are allowed for free and a flat fee of £15 is charged for subsequent switches.**(j)** Loyalty units are awarded monthly after the fifth plan anniversary at 1/20% of the bid value of units bought more than four years before the last plan anniversary.**(l)** The monthly charge is reviewed each 1 January, and increased from the following levels at 1 January 2004.

	Regular Premium Business	Single Premium Business
Executive Pension Plan	£4.88	£3.66
Group AVC	£3.04	£1.82

Similar contracts, but having only the With Profits Fund investment option, are available in Minor Sterling branches.

(a) United Kingdom: Group Personal Pension Plan, Individual Personal Pension Plan, Free Standing Additional Voluntary Contribution Plan (issued up to 31 December 1994)**(b)** These are exempt approved pensions unitised pure endowments, written as direct business. The unit liabilities (except for with-profits) are reinsured with Norwich Union Linked Life Assurance Limited.**(c)** Contributions to the relevant plans can consist of two parts - the rebate contribution paid by the DSS, and the extra contribution paid by the employer and / or member. The extra contributions may be paid monthly, yearly or by single contribution.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

- (d) At retirement the value of the protected rights fund is used to provide a pension payable for life, which may increase yearly by the LPI rate. On death in retirement, a pension will be provided to a surviving widow(er) or dependent children. The value of the fund secured by extra contributions can be used to provide a pension which can be fixed or increase yearly at an agreed rate. On death before retirement the value of the protected rights fund can be used to provide either a pension for a widow(er) or the cash value of the fund will be paid to or for the benefit of any nominated dependant. The same rules apply to the value of the fund accrued under the extra contributions. In the With Profits Fund there is a continuing guaranteed minimum rate of regular bonus of 4% pa in respect of units purchased to 31 December 1998. For units bought from 1 January 1999 the guaranteed bonus rate is zero.
- (e) For individual business, the Building Society Deposit Fund provides security of capital. Otherwise there are no guaranteed investment returns, except in the With Profits Fund.
- (f) The margins for expenses and commissions are:
 - (i) A low investment allocation rate for a designated period.
 - (ii) A bid offer spread of 5% plus rounding.
 - (iii) An annual management charge of 0.875% of the value of the fund.
 - (iv) A monthly plan fee of £3.86, except for the S226 Personal Pension plan which is £2.89, paid by cancellation of units.
 - (v) A switch charge of £15 for second and subsequent fund switches in any year.
- (g) For UK Group and Individual Personal Pension plans, from 6 April 2001 the aggregate charges as implied above in f(i) - (iv) inclusive, will be limited to a maximum of an equivalent annual management charge of 1% of the value of the fund, or 0.6% of the value of the fund for nil commission cases. For increments written between 14 April 1999 and 5 April 2001 the value of the units at 5 April 2001 will be the greater of:
 - (i) the value of the units purchased according to the normal allocation rules for that increment
 - (ii) the value of units purchased assuming a 95% allocation rate and the same underlying investment pattern.
- (h) Transfer values are calculated as the bid value of units allocated. Those in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction (see Section 5 (2)).
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
- (j) Group and Individual Personal Pension plans can include a waiver of premium benefit up to age 65 while the policyholder is unable to work due to accident or illness. The cost is met monthly by an additional premium. The premium for this risk is not guaranteed.
- (k) New plans are not being written, but new members and increments are permitted to existing Group Personal Pension plans and increments to existing Individual Personal Pension Plans and Free Standing Additional Voluntary Contribution Plans.
- (l) The monthly plan fee is reviewed each 1 April, and increased from £3.77 at 1 April 2004, except for the S226 Personal Pension plans, which increased from £2.83.

Similar contracts, but having only the With Profits Fund investment option, are available in Minor Sterling branches.

- (a) **United Kingdom: Group Personal Pension Plan, Individual Personal Pension Plan (issued from 1 January 1995 to 31 December 1997) and Free Standing Additional Voluntary Contribution Plan**
- (b) This is similar to the previous version, with the following exceptions:
- (d) There is no minimum guaranteed bonus rate in the With Profits Fund.
- (f) (i) The allocation rates and bid offer spread are similar to the most recent Executive Personal Pensions.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

- (iii) An annual management charge of 0.875% of the value of the Fund less the cost of any loyalty Units.
- (iv) A monthly plan fee of £3.12 for regular premium plans or £1.88 for single premium plans.
- (vi) A £30 installation fee. This has been waived for Personal Pension Plans and Non-variable Group Personal Pension Plans from 1 January 1997.

- (j) Loyalty units are awarded monthly after the fifth plan anniversary at 1/20% of the bid value of units bought more than four years before the last plan anniversary.
- (l) The monthly plan fee is reviewed each 1 January, and increased from £3.04 and £1.88 respectively at 1 January 2004.

(a) United Kingdom: Group Personal Pension Plan, Individual Personal Pension Plan '98 Series (issued from 1 January 1998)

- (b) This is similar to the previous version, with the following exceptions:
- (c) From 1 October 1999, the Group Personal Pension Plan includes a variable contribution facility.
- (d) The plan can provide integrated life cover. The cost of the life cover is met by cashing units. The mortality charges are not guaranteed. The plan can also provide phased retirement.

- (f) (i) Investment allocations for monthly premiums of at least £100 are:

Initial Period (%)	Balance of 5 Years (%)	Thereafter (%)
60	102	105

Lower allocation rates apply for smaller premiums. Examples of the initial period are 12 months for 10 year contracts, 18 months for 15 year contracts and 24 months for 20 year contracts.

For the level load version of the plan the allocation rate is 96%.

The investment allocation for single premiums depends upon the size of the premium.

Single Premium (£)	Allocation Rate %
Up to 1,499	97.0
1,500 - 2,499	98.0
2,500 - 4,999	98.5
5,000 - 9,999	100.0
10,000 - 19,999	101.0
20,000 and over	101.5

All the above allocation rates are not guaranteed into the future, and can also vary depending on commission terms.

- (ii) A bid offer spread of 5% plus rounding.
- (iii) An annual management charge of 0.875% of the value of the fund, less the cost of loyalty units.
- (iv) A monthly plan fee of £2.22, for regular premium contracts and £1.88 for single premium contracts, paid by deduction from units. For Individual Personal Pension Plans, the plan fee will be waived if contributions cease, and the planholder has a Free Standing Additional Voluntary Contribution Plan.
- (v) A switch charge of £20 for the third and nine subsequent fund switches in any policy year and 0.5% value of the switch value thereafter (subject to a minimum of £20).
- (vi) An installation charge of £30 for associated rebate only Personal Pensions Plans
- (i) This version provides 'lifestyle' switching, free of charge, over the term of the policy into progressively more secure funds as the plan approaches pension date.

The plans are available in some Minor Sterling branches.

- (k) New plans are not being written but new members and increments are permitted to existing Group Personal Pension plans and increments to existing Individual Personal Pension Plans.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

- (l) The monthly plan fee is reviewed each 1 January, and increased from £2.16 and £1.88 at 1 January 2004 for regular and single premium contracts respectively.

(a) United Kingdom - Group Personal Pension Plans 2000 Series

- (b) These are mono charge Group Personal Pensions plans capable of meeting Stakeholder Pensions standards. They are unitised pure endowments, written as direct business. The unit liabilities (except for with-profits) are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums may be payable yearly or monthly. Single premium transfer payments are permitted. The minimum payment is £20 or 3% of salary.
- (d) The plans are available to lives from age 0 to 74 and provide a fund on retirement. Protected rights benefits have to be taken between ages 60 and 75 as pensions subject to the specified conditions. Non protected payments can apply at retirement, normally between ages 50 and 75 and can provide tax free cash and pension benefits.

On death before retirement, the fund value has to provide protected payments if there is a protected spouse, otherwise either a lump sum or a dependant's pension can be provided.

- (e) There are no guaranteed investment returns.
- (f) The margin for expenses and commission is a fund management charge of between 0.4% and 1.0% of the value of the fund, depending on the level of commission and style of contract. When the investment is in an external fund, higher charges will apply.
- (g) The fund management charge may vary.

For members who join between 1 August 2000 and 5 April 2001, if the Balanced Managed Fund does not achieve first quartile investment performance between 30 March 2001 and 30 March 2006, all contracts will receive a credit equivalent to a 1% annual management charge incurred for the first 12 months of the Plan.

- (h) Transfer values are calculated as the bid value of units allocated. Those in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction (see Section 5(2)).
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or by sub reinsurance into specific external funds or in the Company's With Profits Fund. Specific styles of switching are permitted.
- (j) Up to 5 April 2001 the plans can include a waiver of premium benefit up to age 65 when the policyholder is unable to work due to accident or illness. The premium for this risk is not guaranteed.
- (k) New plans are not being written but new members and increments are permitted to existing contracts.

(a) United Kingdom: Managed Income Option and Phased Retirement Plan

- (b) These are exempt approved pensions business unitised pure endowments, written as direct business. The unit liabilities (except for with-profits) are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) The contracts are purchased by a transfer value from another pension arrangement. Under the Phased Retirement Plan, additional transfer values may be paid.
- (d) The Managed Income Option provides partial cashing of units to provide an income withdrawal. The annual amount of income withdrawals can be between 35% and 100% of the amount permitted by the withdrawal tables issued by the Government Actuary's Department. The balance of the fund has to purchase a pensions annuity no later than age 75. Tax free cash may be taken when the encashment option is first exercised.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

The Phased Retirement Plan is written as 1000 arrangements. These arrangements may be converted to a pensions annuity and tax free cash as desired, and have to be fully converted by age 75.

On death before age 75, the bid value of units can be paid as a lump sum or used to purchase a dependant's pension.

- (e) The Building Society Deposit Fund provides security of capital. Otherwise there are no guaranteed investment returns.
- (f) The margins for expenses and commissions are:
 - (i) An allocation proportion which depends upon the size of the transfer value.

Transfer Value (£)	Allocation Rate %
10,000 - 49,999	98.50
50,000 - 99,999	98.75
100,000 - 499,999	99.00
500,000 or more	99.25

- (ii) A bid/offer spread of 5% plus rounding.
 - (iii) An annual management charge of 0.875% of the value of the fund.
 - (iv) A switch charge of £15 for second and subsequent switches in any year.
- (g) The annual management charge and switch charge may vary.
- (h) On switches and encashment of units the investment linked funds will be switched/cashed for the full bid value. Those in the With Profits Fund may include a final bonus entitlement, and may be subject to a Market Value Reduction which can reduce the value of units (see Section 5(2)). The Market Value Reduction is not applied to any encashment at age 75.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
- (j) Not applicable.
- (k) The plans are closed to new business.
- (l) There were no increases to charges during the year.

(a) United Kingdom: Self-Invested Personal Pension Plan

- (b) This is a personal pension plan administered by external Trustees who take responsibility for the investment. If the plan has the Self Investment Option (SIO), then the investment is into the Company and the unit liabilities (except for with-profits) are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) For SIO the minimum initial contribution is £20,000 and the minimum additional contribution is £10,000.
- (d) Provided the fund is at least £70,000 the contract provides for full encashment or maximum regular encashments of up to 10% pa of the amount received from each contribution. The minimum non-regular partial encashment is £500.
- (e) The Building Society Deposit Fund provides security of capital otherwise there are no guaranteed investment returns.
- (f) The margins available for all expenses and commission are:
 - (i) An allocation proportion which depends upon the size of the premium.

Contribution (£)	Allocation Rate %
10,000 - 19,999	99.4
20,000 - 69,999	100.4
70,000 or more	101.4

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Lower allocation rates apply if higher commission is taken.

- (ii) A bid/offer spread of 5% plus rounding.
- (iii) An annual management charge of 0.875% of the value of the fund. The cost of loyalty units is deducted from the annual management charge.
- (iv) A charge of £20 for the third and nine subsequent switches in one policy year, and 0.5% of the switch value thereafter (subject to a minimum of £20).
- (v) A charge of £50 on the second and subsequent changes of regular partial encashment.

(g) The annual management charge and switch charge may vary.

(h) Transfer values are calculated as the bid value of units allocated. Those in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction (see Section 5(2)).

There is a surrender penalty during the first 4 years:

Year of surrender	1	2	3	4
%	2.0	1.5	1.0	0.5

(i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.

(j) Loyalty units are awarded each month after the fifth plan anniversary at 1/24% of the bid value of units.

(k) The plan is closed to new business, except for increments.

(l) There were no increases in charges during the year.

(a) United Kingdom: Group Money Purchase Plan

(b) This is a pensions business unitised pure endowment, written as direct business. The unit liabilities (except for with-profits) are reinsured with Norwich Union Linked Life Assurance Limited.

(c) Premiums may be payable yearly or monthly. Single premiums and transfer money may also be paid.

(d) This policy provides pension benefits for groups of at least 5 employees. Each policy has a chosen retirement age and periodic premiums are payable to this age. On retirement cash may be taken up to the Inland Revenue limits and the balance used to purchase an annuity. On death before retirement the bid value of the units allocated to the member's policy is returnable to the employer or the member's dependants or estate. In the With Profits Fund there is a continuing guaranteed minimum rate of regular bonus of 4% pa in respect of units purchased to 31 December 1998. For units bought from 1 January 1999 the guaranteed bonus rate is zero.

(e) There are no guaranteed investment returns, except the minimum bonus rate in the With Profits Fund.

(f) The margins for expenses and commissions are:

- (i) A low investment allocation rate for a designated period.
- (ii) A bid offer spread of 5% plus rounding.
- (iii) An annual management charge of 0.875% of the value of the fund.
- (iv) A monthly plan fee of £2.28, paid by deduction from the premium.
- (v) A switch charge of £15 for second and subsequent fund switches in any year.

(g) The annual management charge will not exceed 1% of the fund. The policy fee may vary.

(h) On surrender, switch, early or late retirement, the units in the investment linked funds will be cashed for the full bid value. Those in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction which can reduce the value of the units (see Section 5 (2)).

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
- (j) One version of the plan provides a continuation option on leaving service to effect a whole life or endowment policy without further evidence of health. It also provides additional life cover without evidence of health up to the Company's free cover limits.
- (k) New plans are not being written, but new members and increments are permitted to existing contracts.
- (l) The monthly plan fee is reviewed each 1 April, and was increased from £2.16 at 1 April 2004.

A similar contract, but having only the With Profits Fund investment option, is available in Minor Sterling branches.

(a) United Kingdom: Variable Money Purchase Plan

- (b) This is similar to the Group Money Purchase Plan with the following exceptions:
- (d) There is no minimum guaranteed bonus rate in the With Profits Fund.
- (f)
 - (i) The allocation rate is typically 98.9%, but depends on the commission terms.
 - (ii) A bid offer spread of 5% plus rounding.
 - (iii) The monthly plan fee is £3.02, paid by cancellation of units.
- (g) Loyalty units are awarded monthly after the fifth plan anniversary at 1/20% of the bid value of units bought more than four years before the last plan anniversary.
- (k) New plans are not being written, but new members and increments are permitted to existing contracts.
- (l) The monthly plan fee is reviewed each 1 January, and increased from £2.94 at 1 January 2004.

(a) United Kingdom: Pensionvestor Policies

- (b) These are without profits pensions business deferred annuities issued to the self employed, written as direct business. The unit liabilities are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums may be payable yearly, monthly or by single contribution.
- (d) On reaching retirement age at least the majority of the benefit, as laid down by legislation, must be taken as an annuity which is purchased from the encashed units. Guaranteed annuity option rates to provide minimum single life pensions are included in the policy, or alternative annuity benefits can be purchased on open market terms.
- (e) The Deposit Fund price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns.
- (f) The margins available for all expense and commissions are:
 - (i) A bid/offer spread of 5% plus roundings, modified by the investment allocation proportion.
 - (ii) An annual management charge of 0.75% of the value of the fund.
 - (iii) For regular premium policies, capital units are purchased in the first year. These are subject to a charge of 6% pa for a predetermined number of years.
- (g) The annual management charge may vary.
- (h) On transfer or early retirement the bid value of units allocated is payable, less for regular premium

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

policies the designated deduction from the value of capital units.

- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.
- (j) Not applicable.
- (k) The contract is closed to new business, except for increments. No guaranteed annuity options are allowed on increments.
- (l) There were no increases in charges during the year.

(a) United Kingdom: Norwich Pensions Investment Plan

- (b) This is a group exempt approved pensions business without profits contract, written as direct business. The unit liabilities are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums are payable by single contribution.
- (d) This is an investment only contract, issued to trustees of small self-administered pension schemes.
- (e) There are no guaranteed investment returns.
- (f) The margins available for all expenses and commissions are:
 - (i) A bid/offer spread of 5% plus roundings, modified by the investment allocation proportion.
 - (ii) An annual management charge of 0.75% of the value of the fund.
- (g) The annual management charge may vary.
- (h) On surrender the bid value of the units allocated is paid, with the Company having the right of delay for up to six months for funds containing property, or one month otherwise.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.
- (j) Not applicable.
- (k) The plan is closed to new business, except for increments.
- (l) There were no increases in charges during the year.

(a) United Kingdom: Trustee Investment Plan

- (b) This is a group exempt approved pensions business contract written as direct business. The unit liabilities (except for with-profits) are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) The premiums are payable by single contributions.
- (d) This is an investment only contract, issued to trustees of small self administered schemes. Investments or switches into the With Profits Fund must elect a term of 5-50 years. In the With Profits Fund there is a continuing guaranteed minimum rate of regular bonus of 4% pa in respect of units purchased to 31 December 1998. For units bought from 1 January 1999 the guaranteed bonus rate is zero.
- (e) The Building Society Deposit Fund provides security of capital. Otherwise there are no guaranteed investment returns, except in the With Profits Fund.
- (f) The margins available for all expenses and commissions are:
 - (i) A bid/offer spread of 5% plus roundings, modified by the investment allocation proportion.
 - (ii) An annual management charge of 0.875% of the value of fund.
 - (iii) A switch charge of £20 for third and subsequent fund switches in any year.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

- (g) The annual management charge will not exceed 1% of the fund.
- (h) Transfer and switch values are calculated as the bid value of units allocated. Those in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction (see Section 5(2)). On a part surrender, a minimum value of £5,000 must remain in the Plan.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds, or in the Company's With Profits Fund.
- (j) None.
- (k) The plan is closed to new business except for off-shore business.
- (l) There were no increases to charges during the year.

(a) United Kingdom: Executive Retirement Plan and Individual Retirement Plan (Ex NUAM)

- (b) These are individual pension business without profits pure endowment contracts, written as direct business. The unit liabilities are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums may be payable yearly or monthly with an option to pay single premiums from time to time.
- (d) The Executive Retirement Plan is designed for employers to provide benefits to directors or employees. The Individual Retirement Plan is designed for the self-employed and those not in a Company pension scheme. Each policy has a chosen retirement age and periodic premiums are payable to this age.

At the chosen retirement age the value of the units allocated may be taken in cash up to the Inland Revenue limits and the balance used to purchase an annuity, the amount of which will be determined by applying the Company's current annuity rates to the value of the units.

On death before retirement age, the bid value of accumulation units is payable. Options are available to select a higher death benefit or dependant's pension. The cost of the selected mortality risk is funded by cashing units each month; the mortality charges are not guaranteed.

- (e) The Deposit Fund bid price is guaranteed not to reduce. Otherwise there are no guaranteed investment returns.
- (f) The margins available for all expenses and commissions are:
 - (i) A bid/offer spread of 5% plus roundings, modified by the investment allocation proportion.
 - (ii) An annual management charge of 0.75% of the value of the fund.
 - (iii) For regular premium policies, capital units are purchased in the first two years. These are subject to a charge of 2.75% pa.
 - (iv) A plan fee of £3.07 per month, paid by cancellation of units.
- (g) The annual management charge and monthly plan fee may vary.
- (h) On early retirement, the bid value of units, less a designated deduction from the value of capital units, is paid.
- (i) Benefits are wholly determined by investment in one or more of the Reinsurer's internal linked funds.
- (j) Loyalty bonus units are awarded on the tenth anniversary of the Plan, or the anniversary prior to the retirement date if earlier, provided at least 90% of the regular contributions have been paid. The loyalty bonus ranges from 1% to 5% of the value of the units.
- (k) The plan is closed to new business but increments to existing Plans are allowed.
- (l) The plan fee is reviewed each 1 January, and increased from £3.00 at 1 January 2004.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

(a) United Kingdom: Index Linked Immediate Annuities

(b) These are immediate annuities where the annuity increases annually in line with the increase in the Retail Price Index.

(a) United Kingdom: PHI Business with Index Linked Claims

(b) These are existing claims under PHI business, where the claims amount increases annually in line with the increase in the Retail Price Index.

The reserve for all PHI business not in claim is included in Form 51.

(a) United Kingdom: Individual Savings Accounts

(b) These are savings vehicles sold as Savings ISAs and Homesaver ISAs written as direct business. The unit liabilities (except for with profit) are reinsured with Norwich Union Linked Life Assurance Limited.

(c) Premiums are payable monthly or recurring single. Limits on the size of the premium are set by the Government.

(d) The contracts are open ended savings accounts. The Homesaver ISA is designed for mortgage repayment and can have a target term of 10 to 30 years.

For the Homesaver ISA account reviews will take place on the fifth anniversary and at least every five years thereafter, to advise on the projected value at the target date.

(e) There are no guaranteed investment returns.

(f) The margins available for all expenses and commission are:

(i) A bid offer spread of 5% plus rounding, and subject to a reduced allocation rate of 99% for new policies or increments for lives over age 65 next birthday.

(ii) An annual management charge of 0.875% of the value of the fund.

(iii) A charge of £20 for the third switch and nine subsequent switches in one account year, and 0.5% of the switch value thereafter (subject to a minimum of £20).

(g) The annual management charge and switch charge may vary.

(h) The account may be fully or partially surrendered or switched at any time. Units in the investment linked funds will be cashed for the full bid value. Surrender or switching of units from the With Profits Fund may include a final bonus entitlement, and may be subject to a Market Value Reduction (See Section 5(2)).

(i) Benefits are wholly determined by investment in one or more of the designated internal linked funds of the Reinsurer, or in the Company's With Profits Fund.

(j) The contract can also include a waiver of premium benefit up to age 65 while the account holder is unable to work due to accident or illness. The cost is met monthly by cancelling units. The charge for this risk is not guaranteed.

(k) The Savings ISA was closed to new business on 16 October 2001. The Homesaver ISA is open to new business.

(a) Minor Sterling: NU Designer Personal Pension

(b) This is a deferred annuity unitised policy, written as direct business. The unit liabilities (except for with-profits) are reinsured with Norwich Union Linked Life Assurance Limited.

(c) Premiums may be payable yearly, monthly or by single contribution.

(d) This is an investment plan designed to provide retirement benefits for UK Expatriates and must be effected

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

through an Isle of Man financial intermediary. The benefit at the selected retirement date is the bid value of units. This may be paid out as a cash lump sum within Inland Revenue limits or used to buy an annuity with the Company or any other insurer at the immediate annuity rates at the time

The benefit on death before retirement is the greater of the bid value of units and the selected life cover.

A waiver of premium benefit may be selected.

Regular contributions may increase each year either by a fixed percentage of the contributions (5% or 10%) or in line with National Average Earnings subject to a minimum of 3%.

Regular contributions may be reduced or stopped and restarted at any time without penalty.

- (e) There are no guaranteed investment returns.
- (f) The margin for expenses and commission is an annual management charge of between 0.4% and 1% of the value of the fund, depending on the level of commission and the style of contract.
- (g) The fund management charge may vary.
- (h) The benefit on retirement is the bid value of units.
- (i) Benefits are wholly determined by investment in one or more of the designated internal linked funds of the Reinsurer, one or more of the designated external linked funds or in the Company's With Profits Fund.
- (j) The contract can also include a waiver of premium benefit up to age 65 while the account holder is unable to work due to accident or illness. The cost is met monthly by cancelling units. The charge for this risk is not guaranteed.
- (k) The contract is open to new business.
- (l) There were no increases in charges during the report period.

(a) Minor Sterling: Jersey Investment Plan

- (b) This is a pure endowment unitised policy, written as direct business. The unit liabilities (except for with-profits) are reinsured with Norwich Union Linked Life Assurance Limited.
- (c) Premiums may be payable yearly, monthly or by single contribution.
- (d) This is an investment plan designed to provide retirement benefits for UK Expatriates and must be effected through a Jersey financial intermediary. There is a choice of two investment linked funds and the With Profits Fund. The amount payable on death is equal to the bid value of units at the date of death. In the With Profits Fund there is a continuing guaranteed minimum rate of regular bonus of 4% pa in respect of units purchased to 31 December 1998. For units purchased from 1 January 1999 the guaranteed bonus rate is zero.
- (e) There are no guaranteed investment returns for the investment linked funds.
- (f) The margins for expenses and commission are:
 - (i) For single premium contributions, an allocation proportion depending upon size of the premium.

Single Premium (£)	Allocation Rate %
5,000 - 9,999	99.0
10,000 - 49,999	100.0
50,000 - £1m	100.5

The above allocations are reduced where additional single premiums are paid, and the term to maturity is less than 5 years.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

- (ii) For regular premium contributions, a low investment allocation for a designated period followed by the allocation rates as illustrated in the following table:

MONTHLY PREMIUMS				
Years to Maturity	Months of Initial Allocation Period	Initial Allocation	Up to 10 Years	Thereafter
	%	%	%	%
5	7	60	103	105
10	12	60	103	105
15	18	60	103	105
20	24	60	103	105

The above table applies to contributions of at least £100 per month. Lower allocation rates apply for smaller premiums.

- (iii) A bid/offer spread of 5% plus rounding.
- (iv) An annual management charge of 0.875% of the value of the fund.
- (v) For regular premium business, a policy fee of £3.86 per month or £38.60 per annum, paid by cancellation of units.
- (vi) A switch charge of £15 for second and subsequent fund switches in a year.
- (g) The annual management charge will not exceed 1%; policy fees and switch charges may vary.
- (h) On surrender or switch the units in the investment funds will be cashed for the full bid value. Those units in the With Profits Fund may include a final bonus entitlement and may be subject to a Market Value Reduction which can reduce the value of units (see Section 5(2)). An early withdrawal adjustment may apply to additional single premium contributions.
- (i) Benefits are wholly determined by investment in one or two of the Reinsurer's internal linked funds or in the Company's With Profits Fund.
- (j) None.
- (k) The contract is open to new business.
- (l) The policy fee is reviewed each 1 April, and increased from £3.77 and £37.70 respectively at 1 April 2004.
5. (2) Units in the With Profits Fund may be reduced by a Market Value Reduction on surrender or other identified transactions. This is to protect the remaining with-profits policyholders. The introduction of a Market Value Reduction could be triggered by falls in asset values or by substantial volumes of withdrawals.

Unitised pension policies written before January 1992 do not allow for a Market Value Reduction to be applied on early retirement.

A Market Value Reduction has been applied at certain times during the report period. The Market Value Reduction was expressed as a scale varying by year of unit purchase and the scale was revised on a number of occasions to reflect changing investment conditions.

- 5 (4) All the ordinary business contracts, and the pensions contracts are reinsured into Norwich Union Linked Life Assurance Limited, and are invested in the respective internal funds.

The valuation of all unit funds takes place on a daily basis, except for some very small closed funds which are valued weekly.

5. (5) The provisions are described in paragraph 5(5) of the Norwich Union Linked Life Assurance Limited valuation report.
- 6 (1) Conventional regular premium business, other than temporary and decreasing temporary assurances and

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

PHI business, is valued on a net premium basis, generally modified by a Zillmer.

Level and decreasing temporary assurances and PHI business are valued on a gross premium basis.

Conventional single premium business is valued by discounting the amount of guaranteed benefits due on future claims, together with a specific reserve for the value of future maintenance expenses.

For deferred annuities, the value of the benefits at vesting date is the greater of the value of the annuity or the cash option (including regular bonuses declared to date) and discounted during deferment.

Contracts shown as 'ROF' (Return of Fund) on Form 51 provide the value of the fund to the estate in the event of death prior to retirement. Contracts shown as 'RNI' (Return No Interest) on Form 51 provide the value of the premiums paid to the estate in the event of death prior to retirement.

For pensions business continued beyond the normal pension age, the cash value available at the normal pension age is accumulated with interest.

Annually reviewable PHI business has been valued on an unexpired premium basis plus claims reserve.

Unitised with-profits business is valued initially by determining the lower of the current non-guaranteed surrender value and the bid value of units. This result is then compared with a prospective valuation and the higher result taken. The prospective valuation projects future benefits assuming future premiums cease and future bonuses are zero, except for policies with a guaranteed minimum bonus rate, where this guaranteed bonus is allowed for. No allowance is made for lapses. The prospective valuation also includes a further reserve representing the present value of the transfer of the annual management charges from the With Profits Fund to the Non Profit Fund to meet future maintenance expenses.

Any death or critical illness risk is valued on an unexpired premium reserve basis with an allowance for incurred but not reported claims.

Unit linked business is valued as the face value of units, together with non-unit reserves for mortality, critical illness and future expenses not supported by future margins within the individual contracts.

For annually reviewable temporary insurance, the total reserve consists of an Unearned Premium reserve, an Outstanding Claims reserve, and a Claims Equalisation reserve.

Creditor Business

For the Creditor business, reserves are calculated separately for life and disability parts of schemes. For each, two reserves are calculated based on business exposed to date:

- IBNR (Incurred But Not Reported) claims reserve: This is calculated separately for each group policy and is based on past experience of it and similar schemes. For disability business this also includes a reserve for claims in course of payment.
- Profit Commission Reserve: This is calculated separately for each group policy, and is the difference between risk premium earned less claims paid, IBNR and profits commission already paid. It may be negative where that loss can be offset against profits from other group policies with the same client, or between the life and disability parts of the scheme.

For the group life, "revolving credit", creditor schemes the reserve is the "fund", calculated as the premiums paid, net of expenses and commission, minus the claims and profits commission paid. If this is less than the sum of IBNR and profits commission reserves the fund is topped up to this higher level. Such reserves are shown as Reserve 3 in the tables below.

For the group life and disability, "fixed term", creditor schemes the following reserves are calculated separately for each group policy.

Reserve 1 - The Fund

This is calculated as:

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

((Premiums - rebated premiums) x (1 - expense/profits retention)) - claims paid - (commission paid - advance commission on rebates) - profits commission paid - profits commission reserve

Reserve 2 - The expense reserve

This is calculated as:

(Unearned premium on rule of 12) x (maintenance expense retention factor)

Reserve 3 - Uplift to Reserve 1 to cover surrender values

The surrender value basis is the unearned premium on rule of 78 less the advance commission. Reserve 3 is calculated as the excess of this amount (reduced by the expense retention factor, which is handled by Reserve 4) plus the IBNR reserve over Reserve 1. Where the surrender value is not calculated on Rule of 78, the appropriate earnings rule is substituted (eg Rule of 12 for pro-rata refunds).

Reserve 4 - Uplift to Reserve 2

This covers the possibility of loss, on lapse, of that part of the Company's expense retention not reserved for maintenance expenses. For each individual agreement within each master policy, this is calculated as:

The excess of (the unearned premium on rule of 78 (rule of 12 for pro-rata refunds) x the expense retention) over Reserve 2.

Both Reserve 3 and Reserve 4 cannot be less than zero.

Reserve 5 - Technical reserve:

Projected claims are discounted at 0% interest. This makes a prudent implicit allowance for investment income that will be payable to the financial institutions by the company. The basis used is 100% of A67-70 ultimate for life business and the 1982 Disability Table published by the Society of Actuaries for the disability business. These bases are considered prudent in relation to the expected experience.

Reserve 6

An additional reserve, covering the possibility that those policies where the technical reserve exceeds the surrender value stay in force while the others are surrendered. This is calculated separately for each individual policy within the group policy, as:

The excess of:

The greater of Reserve 5 and the unearned premium on rule of 78 (rule of 12 for policies with pro-rata refunds) net of the expense retention and advance commission.

Plus IBNR

Plus (If Reserve 5 is the greater) Reserve 2 and Reserve 4.

Over:

The sum of Reserves 1 to 4 already calculated.

The total reserve held is then the sum of Reserves 1 to 4, plus Reserve 6 and the Profits Commission Reserve.

- (a) Derivative contracts or assets having the effect of derivative contracts and any associated cash holdings, were not included in the assets allocated to the technical liabilities of the fund and as such did not impact on the calculation of the amount of long term liabilities.
- (b) The Company is a realistic basis life firm and as such is not required to include provision for discretionary benefits with regulatory reserves. Instead, allowance for discretionary benefits is included within the calculation of realistic reserves.

However, the Company has retained a net premium valuation for its conventional with profits business and does therefore have implicit margins for future bonus within reserves.

Full provision has been made for all guaranteed benefits, vested bonus and options available to policyholders.

Where a type of contract can be surrendered for a cash payment, the mathematical reserves held are

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

greater than the amount of the cash payments.

For unit linked business the Company and Reinsurers take account of the reasonable expectations of policyholders by ensuring that the unit pricing mechanism works in accordance with the statements in policy literature, that increases in expense charges are made in line with the policy wording, and that tax charges where relevant reflect the amount of tax expected to be borne.

- (c) The net premiums have been modified to allow for acquisition expenses, as follows:
 - (i) 3.5% of the sum assured or capital benefit spread over the premium paying term for whole life, endowment and self-employed pension business.
These modifications conform to PRU 7.3.43R.
- (d) All negative reserves have been eliminated.
- (f) No specific reserve has been made for future regular or cash bonuses.
- (g) No addition has been made to the mathematical reserves as a provision for tax on unrealised gains. The provision for tax on unrealised gains is contained in Other Insurance and Non Insurance Liabilities. Allowance for the movement in the provision for tax on unrealised gains has been included in the calculation of the resilience capital requirement
- (g) Norwich Units policies have been valued by methods which make implicit allowance for the maturity guarantees. Norwich Units policies have been valued by a net premium method as endowment assurances for the guaranteed sum insured, plus the amount of capital appreciation less the tax deduction.
- (h) Where instalment or annuity options are available in lieu of a cash sum, or a guaranteed cash option in lieu of an annuity, the reserve is held for the option which brings out the highest value. When there is a guaranteed annuity, the value placed on it is based on the immediate annuity mortality basis, a reinvestment rate, and an allowance for maintenance expenses (see Section 7). Business embracing a guarantee has been identified in Form 51 and 53 as 'Guaranteed annuity option applies'.

For contracts which include contracted out guaranteed minimum pensions, the value of the pension follows similar assumptions as for guaranteed annuity options.

The reserves held for guaranteed annuity options or contracted out guaranteed minimum pensions are at least as great as reserves derived from stochastic modelling of the costs involved.

For convertible term or increasing sum insured options, a reserve is held equal to one year's option premium.

When contracts provide other options with a specific premium, a reserve is held of all option premiums paid.

Some group business contains premium rate guarantees for a limited period. No specific reserve for these is considered necessary.

The reserves exceed the guaranteed surrender values on individual policies.

Additional reserves are held to cover future anticipated expenses in excess of the allowances included in the reserves held for individual contracts. An allowance is also made for the risk of failure of the company's reinsurance arrangements.

The Company has announced its intention that payments on with profit mortgage endowment policies will, if necessary, be topped up at maturity where there is a shortfall between the claim value and the mortgage originally targeted, provided that future investment returns between 1 January 2000 and the date of maturity average no less than 6% p.a. net and that such payments can be met from future investment earnings on the free reserves within its life fund. For the purposes of the regulatory valuation these top up payments are treated as discretionary benefits and generally no reserve is held. However, the company has

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

given an undertaking to policyholders that at least 3 years advance notice will be given of any change in practice regarding the amount of any top up payment and accordingly a reserve is held for the anticipated top up payments over the next 3.5 years.

Contingency reserves are held and these are available for any kind of contingency which may arise. These reserves also cover a provision for liabilities arising from any mis-selling in respect of the Company's own representatives, and for future levies for the Financial Services Compensation Scheme.

- 6 (2)** In determining the provision referred to in sub-paragraph (f) above, and the reserves referred to in sub-paragraph 7(8) below; account has been taken of the fact that the fund has been brought into Form 58 at book value in accordance with IPRU (INS) rule 9.10(c).

In the context of assets valued at market value, additional reserves have been taken into account in the directors' certificate.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004****7 (1)** The rates of interest assumed in the valuation are shown in Forms 51 to 54.

(2)

The tables of mortality and morbidity are shown in Forms 51 to 54, and in the following table::

Code		Table	Rating
A		A67/70 Ultimate	Females see below
B	Males: Females:	50% AM80 Ultimate 50% AF80 Ultimate	- -
C	Males: Females:	AM92 Ultimate AF92 Ultimate	- -
D : In Deferment	Males: Females:	50% AM80 Ultimate 50% AF80 Ultimate	- -
Post Vesting	Males: Females:	81% PMA80 adjusted (see7(4)) 98% PFA80 adjusted (see7(4))	- -
E : Post Vesting	Males: Females:	81% PMA80 adjusted (see7(4)) 98% PFA80 adjusted (see7(4))	- -
F: In Deferment	Males: Females:	50% AM80 Ultimate 50% AF80 Ultimate	- -
Post Vesting		a(55) Ultimate	Females see below
G	Males: Females:	79% PMA80 adjusted (see7(4)) 95% PFA80 adjusted (see7(4))	- -

Where the mortality table relates to male lives, females are rated down 3 or 4 years according to the pricing basis. For whole life and temporary insurance type contracts, smokers are rated +2 years compared with aggregate mortality, and non-smokers are rated -1 year.

The mortality table referred to by code O is shown below.

Code	Males – TM92 ultimate females – TF92 ultimate adjusted by the following table:			
	Male Smoker	Male Non Smoker	Female Smoker	Female Non Smoker
O				
Term	150%	75%	180%	75%
MP	165%	80%	190%	85%

For deferred annuities and contracts with Guaranteed Annuity Options, it is assumed that policyholders will exercise their right in respect of 95% of the guaranteed annuity. The value of the annuity, including regular bonus declared to date, at the vesting date is:

- 5% valued on the open market cash option basis (typically a(55) ultimate mortality and 6.5% pa interest)
- 95% valued using the current immediate annuity mortality basis, as described in section 7(4), and using a prospective discount rate of 4.3% pa (With Profits policies) or 4.0% pa (Non Profits policies). Maintenance expenses from the vesting date are also allowed for.

For deferred annuities continued beyond maturity, the accumulation rate is generally 6% pa.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

The mortality basis for PHI business not in claim is 50% of AM80/AF80 ultimate. For business in claim, the impaired mortality basis is implicitly incorporated in the recovery rates.

PHI claims inception rates have been based on CIDA rates, adjusted by factors dependent on the age, deferred period, occupation, sex, smoker status, sales channel, location and duration in-force, reflecting our own experience. Further margins have been taken for prudence. For Safeguard policies specimen adjustment factors to the CIDA rates are shown below.

(i) Age, Sex and Deferred Period (DP) in months

	Males					
DP	1	2	3	6	12	24
Age	%	%	%	%	%	%
20	53	37	97	188	130	54
30	56	39	90	163	108	42
40	59	42	83	139	86	31
50	61	44	75	114	65	20
60	65	46	68	90	43	9

	Females					
DP	1	2	3	6	12	24
Age	%	%	%	%	%	%
20	26	18	39	74	52	24
30	36	26	61	111	73	27
40	46	33	89	153	90	27
50	56	41	67	110	61	17
60	66	48	45	66	32	8

(ii) Deferred period adjustments ranging from 90% to 115%

(iii) Occupation adjustments ranging from 100% to 605%

(iv) Location adjustments ranging from 100% to 201%

(v) Distribution channel, policy duration adjustments ranging from 54% to 281%.

For other PHI business specimen adjustment factors to the CIDA rates are shown below

(i) Age, Sex and Deferred Period (DP) in months

	Males					
DP	1	2	3	6	12	24
Age	%	%	%	%	%	%
20	90	48	159	478	415	864
30	85	45	134	394	326	666
40	80	42	110	310	236	469
50	75	39	85	226	147	272
60	70	35	60	142	57	104

	Females					
DP	1	2	3	6	12	24
Age	%	%	%	%	%	%
20	43	23	77	185	172	511
30	43	23	68	169	144	397
40	44	23	60	153	116	282
50	44	23	51	137	87	168
60	44	22	42	121	59	83

(ii) Occupation, deferred period adjustments ranging from 100% to 289%

(iii) Further occupation adjustments ranging from 100% to 276%

(iv) Location adjustments ranging from 100% to 186%

The PHI recovery rates have been based on CMIR12, adjusted by factors derived from our own experience, with further margins for prudence.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

Specimen adjustments are:

- (i) Deferred period and duration of sickness ranging from 20% to 180%
- (ii) A reduction for future deterioration where rates are guaranteed, of 10%
- (iii) Experience related scaling factors of 78% to 83%
- (iv) Additional valuation margin of 15%

The morbidity basis for waiver of premium benefits is based on the pricing basis, with a 10% margin for prudence.

Term assurances with critical illness benefits are valued using the combined mortality and disability tables R and Q shown below.

Q	Combined disability and mortality table used in the valuation of level term contracts that offer 'critical illness' and death benefits. The table used is illustrated by the following specimen annual rates per mille:				
	Age	Male Smoker	Male Non Smoker	Female Smoker	Female Non Smoker
	20	1.3150	1.1940	1.0650	1.0650
	25	1.2800	1.1430	1.1670	1.1460
	30	1.4350	1.1800	1.7860	1.4810
	35	2.0100	1.4610	2.5260	1.7080
	40	3.8730	2.4090	3.9690	2.2500
	45	7.5020	4.0680	6.8000	3.3350
	50	13.3690	6.3520	11.7790	5.2830
	55	23.1430	9.9960	19.0010	8.4780
	60	37.4120	15.4820	27.2280	13.1180
	65	52.5960	22.3910	34.6620	18.8180
	70	72.3430	32.3020	42.6770	24.6070
	75	102.8720	53.4100	59.2470	39.8130
	80	144.1880	88.2700	81.8950	64.0740
	85	194.6210	140.3030	117.7960	105.8020

Rates are also factored by $(1 + L/100)$, where L equals 1.0 for each year of policy term to allow for guaranteed rates.

R	Combined disability and mortality table used in the valuation of decreasing term contracts that offer 'critical illness' and death benefits. The table used is illustrated by the following specimen annual rates per mille:				
	Age	Male Smoker	Male Non Smoker	Female Smoker	Female Non Smoker
	20	1.2540	1.1410	1.0200	1.0200
	25	1.2220	1.0930	1.1160	1.0950
	30	1.3670	1.1280	1.6920	1.4110
	35	1.9020	1.3920	2.3870	1.6180
	40	3.6530	2.2770	3.7430	2.1270
	45	7.0630	3.8360	6.4040	3.1470
	50	12.5770	5.9820	11.0830	4.9780
	55	21.7620	9.4070	17.8700	7.9800
	60	35.1730	14.5630	25.6010	12.3410
	65	49.4420	21.0560	32.5880	17.6980
	70	68.0010	30.3700	40.1210	23.1390
	75	96.6920	50.2080	55.6930	37.4290
	80	135.5200	82.9690	76.9780	60.2290
	85	182.9180	131.8690	110.7170	99.4450

Rates are also factored by $(1 + L/100)$, where L equals 1.0 for each year of policy term to allow for guaranteed rates.

Other critical illness benefits are based on the Reinsurers pricing basis with a 10% margin for prudence.

For all current cost policies a proportion of the current premium, of at least 50%, has been reserved

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

together with an allowance for current outstanding claims; these claims have been valued using a recovery annuity basis.

The mortality basis for long term care immediate annuities is based on the Reinsurer's terms with a margin for prudence.

- (3) For business written in the UK and Minor Sterling branches, the UK tables have been used, adjusted as necessary for experience. For the business written in Belgium appropriate tables based on local experience have been used. The policyholders predominantly reside in the country of operation, except for business written in the Minor Sterling category.
- (4) Mortality is based on adjusted '80 Amounts' tables with prudent allowance for current experience, and adjustments for improving longevity.

The mortality rates at 31 December 1995 have been determined by taking a percentage of the mortality rates of the C=2010 tables.

For pensions annuity business, the annual reductions in base table mortality rates between 1996 and 2002 range from 4.1% to 0.5% for males and from 2.7% to 0.5% for females.

The base table assumptions are shown in the table below:

	Table	Male	Female
General Annuity	IMA80/IFA80 ultimate	70%	102%
Pensions Annuity (With Profit)	PMA80/PFA80	81%	98%
Pensions Annuity (Non Profit)	PMA80/PFA80	78%	84%
With Profits Annuity	PMA80/PFA80	79%	95%

The allowance for future mortality improvement has been determined by reference to published population mortality investigations and current mortality experience.

From 2003 the improvement rates are from CMI Working Paper 1 (December 2002), as follows:

For male lives, 100% of the Medium Cohort improvement rates, subject to a minimum of 1.5% p.a. at all ages and calendar years.

For female lives, 75% of the Medium Cohort improvement rates, subject to a minimum of 1.0% p.a. at all ages and calendar years.

- (5) The mortality bases include adequate margins for AIDS given the present experience. A specific reserve of £5m is held within the contingency reserve, for adverse mortality from AIDS arising from the exercise of guaranteed insurability options.
- (6) For the purpose of calculating the resilience capital requirement two different scenarios for changes in UK asset values have been tested, of which Scenario 2 is the most onerous:

Scenario 1

- equities fall in value by 10% with a 10% fall in equity income
- property falls in value by 20% with a 10% fall in property income
- fixed interest yields rise by 0.914%, which is 20% of the UK 15-year gilt yield as at 31 December 2004

Scenario 2

- equities fall in value by 10% with a 10% fall in equity income
- property falls in value by 20% with a 10% fall in property income
- fixed interest yields fall by 0.914%

- (7) For the purpose of calculating the resilience capital requirement no assets were included that were invested in a significant territory outside the UK.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

(8) (a) Under the most onerous scenario tested, no additional resilience reserve was required pursuant to PRU 4.2.10R.

(b) The change in the aggregate amount of the long term insurance liabilities was a reduction £200,874,000 in the With Profits fund and an increase of £59,876,000 in the Non Profits fund.

(c) The change in the aggregate amount of the assets allocated to the match liabilities was a reduction of £48,023,000 in the With Profits fund and an increase of £68,794,000 in the Non Profits fund.

(9) There are no significant liabilities in currencies other than sterling.

8 (a) See Form 51 column 8 and Form 52 column 10.

(b) Maintenance expense levels are set equal to 110% of the expenses charged to the Company under the Management Services Agreement with Norwich Union Life Services Limited. Specific reserves are held for non premium paying contracts, by valuing these maintenance expenses, increasing by future expenses inflation, over the lifetime of each contract.

The maintenance expenses (adjusted for one year's expense inflation and excluding 10% margin) are:

	£
Conventional OB with-profits	20.36
Conventional Pensions business (in deferment)	25.77
Temporary assurances	19.55
Immediate annuities	17.52
Long Term Care annuities	23.63

For PHI business in claim, a specific claims expense reserve of 9.5% of the claims reserve has been included.

(c) The margins in the valuation bases between net and gross premiums are adequate to meet current maintenance expenses and cost of bonus where relevant.

Similarly, the present value of margins has been compared with the present value of future maintenance expenses allowing for inflation plus an estimate of the cost of future annual bonuses not met out of interest rate margins to show adequacy over the longer term.

(d) All contracts are valued in accordance with PRU 7.3.38R

9 (a) Capital units are discounted as permitted by the policy conditions.

The mortality and critical illness risks have been valued as an unexpired premium reserve.

The expenses reserve is calculated using sterling reserve techniques and, in general, assuming the contract becomes paid-up immediately. It compares the loadings available within each contract to support the maintenance expense charged (see 8(b)) and sets up a reserve when there is a shortfall.

The economic assumptions are:

	Assurances	Pensions
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Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

Fund growth	4.0 %	5.3%
Expenses inflation	4.0%	4.0%
Policy fee increases	2.0%	2.0%
Discount rate	3.5%	4.3%

The maintenance expenses (adjusted for one year's expense inflation and excluding 10% margin) are:

	£
Assurances	24.11
Personal Pensions	30.69
Executive Pensions	71.44
Group Personal Pension	57.01
Group Money Purchase	53.67

- (b) The Norwich Units policy is valued by the net premium method as an endowment assurance for the guaranteed sum assured, plus the capital appreciation of the units minus the policyholder's tax liability. Although interest is retained by the Reinsurer on all reserves, it is only required on the reserve for the basic policy in order to meet reserves in the following year. This method brings out higher reserves than the usual method of taking the face value of units and discounting by the anticipated rate of dividend. The margin between office and net premiums plus commission is more than the current cost of administration, which has been taken as £24.11 per policy per annum.

- 10 (1)** Discount rates net of an allowance for inflation at 4% are used to value an expense reserve for non linked contracts.

For immediate annuities it is assumed that expenses inflate at 4.0% pa.

For linked contracts it is assumed that expenses inflate at 4.0% pa when calculating sterling reserves.

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

- (2) The aggregate amount for expenses during 2005 arising from explicit and implicit reserves for expenses is 286000 (£000).

The main sources are:

- (i) The margin between office premium and net premium, after the margin earmarked to contribute to new regular bonus for with-profits business, for business valued on the net premium basis.
- (ii) The explicit annual maintenance expense charge (see 8(b)) for non-premium paying conventional business and temporary assurances, and for business valued on a gross premium basis.
- (iii) The explicit annual maintenance expense charge as used in the sterling reserves for unit linked and unitised business.
- (iv) Investment expenses as provided for from part of the annual management charge or by a deduction from the yield.
- (v) Additional explicit expense reserves

No amount has been included for expense margins expected to arise from future recurring single premiums.

- (3) No reserve is deemed necessary to cover the costs of transacting new business in the year following the valuation date. Based on an assessment carried out on prudent assumptions, we expect the new business in 2005 to be self-supporting.

- (4) An assessment was made of the cost of closure of the Company to new business at the end of 2005 using the following method and basis of calculation:

- (i) All sales, marketing and new business administration operations were assumed to cease immediately;
- (ii) Allowance was made for salary to be paid during the period of notice and for redundancy costs.
- (iii) Allowance was made for costs arising from the delay in re-letting properties occupied by the new business areas;
- (iv) The aggregate costs were discounted to the valuation date.

The cost of closure was covered by margins between the office premium and net premium valued for with-profits contracts. No reserve is required.

- 11 Mathematical reserves for overseas business as reported in Forms 51-54, are fully matched by assets in the same currency. Overseas business, which is not identified as Belgium, relates to the Minor Sterling category.

Within the UK, the mathematical reserves for reinsurance accepted in local currency are:

	£m
Belgium	9.3
Italy	7.2

These liabilities are matched by relevant currency assets.

- 12 (1) The Company has no facultative reinsurance with a reinsurer who is not authorised to carry out business in the United Kingdom.

- (2) See table on next page. The following points expand on items not included within the table.

- (b) The pool arrangement for Permanent Health Insurance is through several reinsurers, with 40%, 25% or 38% of premiums going to reinsurers authorised to carry out insurance business in the United Kingdom.

- (c) Norwich Union Annuity Limited is a subsidiary company of the Company.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

Norwich Union Linked Life Assurance Limited is a fellow group undertaking.

Delta Lloyd Levensverzekering NV is a fellow group undertaking.

- (d) (i) Denotes Temporary Decreasing Insurance written on or after 6 April 1998.
(ii) Denotes level Term Insurance business written on or after 9 February 1998.
- (f) The treaties marked with a * provide deposit back arrangements. The amounts at 31 December 2004 were:
Swiss Re 9276 (£000)
Union Suisse 2012 (£000)
- (g) The Company has made no explicit provision to refund any reinsurance commission in the event of a lapse or surrender of a policy. In this case either a reinsurance premium refund exceeds any commission refund or no such liability exists.

(a) Name of Reinsurer	(b)	(d) Class of business	(d) Extent of cover	(e) £'000s	(h)
Swiss Re Life & Health	Yes	Life Assurance, Accident and Critical Illness attached	Surplus Reinsurance	1,222	Closed to NB
Swiss Re	Yes	Life Assurance	Surplus Reinsurance	161	Closed to NB
Munich Re	Yes	Life Assurance	Surplus Reinsurance	63	Closed to NB
GE Frankona	Yes	Life Assurance	Surplus Reinsurance	36	Closed to NB
Worldwide	Yes	Life Assurance	Surplus Reinsurance	26	Closed to NB
GE Frankona	Yes	Life Assurance including Critical Illness	Quota Share	1,577	Closed to NB
Swiss Re Life & Health	Yes	Life Assurance	Surplus Reinsurance	248	Closed to NB
Swiss Re Life & Health	Yes	Long Term Care (Future Assured)	Quota Share	416	
Swiss Re Life & Health	Yes	Life Assurance	Surplus Reinsurance	1,901	
Munich Re	Yes	Life Assurance	Surplus Reinsurance	1,269	
General & Cologne (UK)	Yes	Long Term Care (Future Assured)	Quota Share	376	
Munich Re	Yes	Term Assurance	Quota Share	51,182	Closed to NB
Pool	40%	Permanent Health	Surplus Reinsurance	104	Closed to NB
Pool	25%	Permanent Health	Surplus Reinsurance	307	Closed to NB
Pool	38%	Permanent Health	Surplus Reinsurance	128	Closed to NB
GE Frankona	Yes	Permanent Health	Quota Share & Surplus Reinsurance	358	
GE Frankona	Yes	Permanent Health	Quota Share	2613	
GE Frankona	Yes	Permanent Health	Quota Share	438	
Munich Re	Yes	Permanent Health	Quota Share & Surplus Reinsurance	4228	
Norwich Union Annuity Ltd	Yes	Immediate & Deferred Annuity	Quota Share	671,452	
Norwich Union Linked Life Assurance Limited	Yes	Ordinary Business Unit Linked and Mortality & Morbidity Critical Illness Risks	Quota Share	38,679	
Norwich Union Linked Life Assurance Limited	Yes	Pensions Unit Linked and Waiver of Premium	Quota Share	241,886	
Norwich Union Linked Life Assurance Limited	Yes	Unit Linked Ordinary Business and Pensions	Quota Share	3,221,355	
RGA (Americas)	No	Life Assurance	(i) Part of Quota Share	1,297	Closed to NB
General & Cologne (UK)	No	Life Assurance	(i) Part of Quota Share	360	Closed to NB
Revious (UK)	Yes	Life Assurance	(i) Part of Quota Share	400	Closed to NB
GE Frankona	Yes	Life Assurance	(i) Part of Quota Share	364	Closed to NB
Revious (UK)	Yes	Life Assurance and Critical Illness	(i) Part of Quota Share	241	Closed to NB
RGA (Americas)	No	Life Assurance and Critical Illness	(i) Part of Quota Share	375	Closed to NB
GE Frankona	Yes	Life Assurance and Critical Illness	(i) Part of Quota Share	374	Closed to NB
Hannover Re	Yes	Life Assurance and Critical Illness	(i) Part of Quota Share	660	Closed to NB
RGA	No	Life Assurance	(ii) Part of Quota Share	2,405	Closed to NB
Hannover Re	Yes	Life Assurance	(ii) Part of Quota Share	658	Closed to NB
Life Re	No	Life Assurance	(ii) Part of Quota Share	691	Closed to NB

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

(a) Name of Reinsurer	(b)	(d) Class of business	(d) Extent of cover	(e) £'000s	(h)
GE Frankona	Yes	Life Assurance	(ii) Part of Quota Share	710	Closed to NB
Lincoln Re	No	Life Assurance	(ii) Part of Quota Share	678	Closed to NB
Hannover Re	Yes	Life assurance and critical illness	Quota Share	673	Closed to NB
GE Frankona	Yes	Life assurance and critical illness	Quota Share	-	Closed to NB
Staley Insurance Services Ltd	No	Creditor	Quota Share of insured risks under one scheme	32,842	
Arriva Insurance Ltd	No	Creditor	Quota Share of insured risks under one scheme	0	Closed to NB
FCE Reinsurance Company	No	Creditor	Quota Share	3,940	
Progressive Insurance Company	No	Creditor	Quota Share	43,362	
Swiss Re Life & Health	No	Creditor	Quota Share	-	Closed to NB
Union Suisse *	No	Life assurance, Accident and sickness	Quota Share	51	Closed to NB
Swiss Re	Yes	Life assurance, Accident and sickness	Surplus Reinsurance	36	Closed to NB
GE Frankona	Yes	Life assurance, Accident and sickness	Surplus Reinsurance	1,570	Closed to NB
Swiss Re *	Yes	Life assurance and accident	Quota Share	1,773	Closed to NB
Delta Lloyd	No	Life Assurance	100% Quota Share		

(3)

- (a) Two financing arrangements exist between the Company and Swiss Reinsurance Company and Manufacturers Life Reinsurance Company, and a further arrangement exists between the Company and Swiss Reinsurance Company. The reinsurance is in the form of Time Deferred Stop Loss arrangements. The basic principle of the arrangements is that an amount of liabilities is reinsured at the end of the financial year for no initial premium. These liabilities are then recaptured over time by the Company. The recapture of the liability is contingent on future shareholder surplus emerging. The amounts outstanding at the valuation date were £16.3m and 91.5m for the former two arrangements, and £10.0m for the latter arrangement.
- (b) As the recapture of the liability is contingent on the emergence of future shareholder surplus no liability for the undischarged obligation has been taken into account in the valuation.

13 (1)

- (a) Revenue accounts at the end of the financial year, net of reinsurance ceded, in the format of Form 40 are given below for the unitised with profit Stakeholder sub fund and the remainder of the With Profits Fund.

Supplementary Form 40 information for period ended 31.12.2004	Line	With Profits 1 excluding Stakeholder sub fund £'000	Stakeholder sub fund £'000	With Profits 1 £'000
Earned Premiums	11	667,201	16,116	683,317
Investment Income receivable before deduction of tax	12	1,268,299	2,483	1,270,782
Increase (decrease) in the value of non-linked assets brought into account	13	548,373	(1,112)	547,261
Other income	15	(83,383)		(83,383)
Total income	19	2,400,490	17,487	2,417,977
Claims incurred	21	2,238,668	3,751	2,242,419
Expenses payable	22	63,077	391	63,468
Interest payable before deduction of tax	23	2,125		2,125
Taxation	24	118,287		118,287
Transfer to (from) technical account	26	21,861		21,861
Total expenditure	29	2,444,018	4,142	2,448,160
Increase (decrease) in fund in financial year	39	(43,528)	13,345	(30,183)
Fund brought forward	49	23,610,423	61,980	23,672,403
Fund carried forward	59	23,566,896	75,324	23,642,220

There is no investment income relating to linked assets included in Line 12 of the table above.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

- (b) A statement of liabilities at the end of the financial year in the format of Form 14, net of reinsurance ceded, is given below for the unitised with profit Stakeholder Fund, the With Profit fund and other long term businesses.

Supplementary Form 14 information for period ended 31.12.2004	Line	With Profits 1 excl Stakeholder sub fund £'000	Stakeholder sub fund £'000	With Profits 1 £'000
Mathematical reserves, after distribution of surplus	11	23,140,132	75,324	23,215,456
Balance of surplus	13	426,764		426,764
Long term insurance business fund carried forward	14	23,566,896	75,324	23,642,220
Gross claims outstanding	15	88,551		88,551
Net claims outstanding	17	88,551		88,551
Provisions for taxation	21	0		
Other provisions	22	0		
Deposits received from reinsurers	23	0		
Creditors - direct insurance operations	31	11,242		11,242
Creditors - reinsurance accepted	32	4,012		4,012
Creditors - reinsurance ceded	33	0		
Creditors - debenture loans unsecured	35	159		159
Creditors - amounts owed to credit institutions	36	2,286		2,286
Other creditors - taxation	37	202,429		202,429
Other creditors - other	38	154,812		154,812
Accruals and deferred income	39	43,387		43,387
Total other insurance and non-insurance liabilities	49	506,878		506,878
Excess of the value of net admissible assets	51	2,666,125		2,666,125
Total liabilities and margins	59	26,739,899	75,324	26,815,223
Amounts included in line 59 attributable to liabilities to related companies	61	1,401		1,401
Amount of any additional mathematical reserves included in line 51	63			

The change in the value of non-linked assets is an increase of 991,706 (£000) for the With Profits 1 excluding Stakeholder sub fund and a decrease of 1,112 (£000) for Stakeholder.

- 14 (1)** The amount available for distribution amongst with-profits policyholders and shareholders is determined from time to time by the Directors on the advice of the With Profits Actuary. Up to 2 October 2000, the 1997 Restructuring Scheme and subsequent developments, require that 100% of the relevant distributable surplus is applied to unitised with-profits policies, at least 87.5% of the relevant distributable surplus to with-profits immediate annuities and at least 90% of the relevant distributable surplus to other conventional with-profits policies. All with-profits business acquired from 2 October 2000 is allocated at least 90% of the relevant distributable surplus.

For currently issued with-profit policies, product technical guides, the Guide to Conventional With-Profits, the Company's With Profit Guide and the Principles and Practices of Financial Management describe the distribution of profits as above. The principles of distribution are not described in older policies and other Guides to With-Profits, nor are they described in all advertisements issued by the Company.

14 (2)

- (a) The With Profits and Stakeholder Funds are operated and accounted for as separate sub-funds within the Company. The Stakeholder Fund is maintained in respect of stakeholder pension business and the With Profits Fund is maintained in respect of all other with-profit business written by the Company.

Liabilities, income and expense are allocated between the sub-funds according to the category of contract from which they arise. Assets are not segregated but the investment income and gains and the investment expenses are apportioned between the sub-funds in proportion to the respective fund sizes taking into account the proportions of each category of investment considered appropriate for each category of business.

Expenses other than investment and development expenses are determined from the defined expense charges for each category of contract under the Management Services Agreement with Norwich Union Life

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Services. Development expenses are apportioned on an equitable basis having regard to the nature of the development.

Under the terms of a reinsurance arrangement, all expenses incurred in connection with stakeholder pension business written prior to 1 January 2002 are borne by Norwich Union Linked Life and that company receives the benefit of all charges levied against the stakeholder unitised with-profit fund. For business from 1 January 2002 expenses are borne by the Company. Premiums deemed to be invested in the internal linked funds of Norwich Union Linked Life are payable to that company.

- (b) Non profit insurance business is generally written outside the With Profits Fund. No non-profit business is written in the Stakeholder Fund.
- (c) The assets of the With Profits and Stakeholder Fund are predominantly invested in shares, property and fixed interest investments. The Company currently intends to maintain between 45% and 55% of such assets in equity shares and property. This range may be changed in order to improve long term performance or to make sure that the fund can meet its guarantees. The investment mix of the Stakeholder Fund may differ from that of the With Profits Fund.
- (d) The Stakeholder Fund was established with no free reserves and an account for smoothing and guarantees is being built up from the accumulation of a deduction of 0.25% p.a. from the asset shares. The level of the free reserves in the With Profits Fund is managed with the primary objectives of enabling a relatively unconstrained investment policy, providing the capital backing necessary for smoothing, and to finance new business growth.
- (e) (i) The level of discretionary benefits allocated to conventional with-profit policyholders is determined using asset share methodology based upon actual With Profits Fund investment returns and expenses with adjustments, where appropriate, to reflect taxation, mortality charges and cost of guarantees. The tax associated with shareholders' transfers is charged to the Estate of the With-Profits Fund as prescribed by the 1997 Restructuring Scheme.

In the case of stakeholder pensions contracts, however, asset shares represent the accumulation of the invested premiums allowing for the actual investment performance, surrender payments and the explicit annual management charge (set at an equivalent level to the charge for unit-linked funds). An allowance of 0.25% of the value of the stakeholder with-profits fund will be deducted from asset shares and directed into a "smoothing" account each year. This account builds up over time and allows the Company to operate the crucial features of with-profits investment, i.e. smoothing out the peaks and troughs in the values of underlying assets and providing the guarantees on retirement and death. The 0.25% remains within the Stakeholder Fund and therefore for the sole benefit of the stakeholder with-profits investors.

For all unitised with-profits contracts asset shares represent the accumulation, allowing for the actual investment performance with adjustments to reflect taxation, of premiums received less the explicit charges or deductions made under the contract (including an annual management charge set at an equivalent level to the charge for unit-linked funds).

An additional charge may be levied on asset shares to reflect the provision of capital, guarantees, costs and smoothing in the Fund, or to maintain the inherited estate or regulatory solvency of the current and potential fund at appropriate levels. The level of the charge is reviewed from time to time but at least annually and may be increased or reduced. Such charges, if applied, accrue to the inherited estate. The current charge is 0.75% p.a. from 1 May 2004. If it subsequently transpires that the amount deducted is in excess of that required this would be used to enhance returns to asset shares in future.

Final bonus policy is framed with the objective of providing maturity payments which represent 100 per cent of asset shares in the long term, although, in order to provide an element of stability in the returns to policyholders, smoothing is applied.

The final bonus scale derived for maturities is also applied to claims arising by death.

- (ii) Our aim in normal circumstances has been to smooth changes in actual policy payouts, limiting

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

the change from year to year to around 15 per cent maximum. In the normal course of events, one would expect maturity payouts to lie in the range 90 to 110 per cent of asset shares. There is likely to be a lower degree of smoothing within the stakeholder pensions fund at least in the early years until the smoothing account has begun to build up, and this may lead to policy payouts from year to year changing by up to 20 per cent instead of 15 per cent in normal circumstances.

Changes in bonuses are not usually made more than twice a year and changes in regular bonus can be expected to be gradual. For single premium business however, smoothed claim values will in future be determined on a more regular basis to reflect increased stock-market volatility.

- (iii) Profits are allocated to policyholders in the form of bonus additions to the guaranteed benefits in two ways: regular bonuses and final bonuses.

Regular bonuses are declared and added each year. Once added they become part of the benefits payable under the terms of the contract

Final bonus where applicable is payable until further notice on all cancellations of units in the unitised with-profits funds and on all claims arising on death, maturity or retirement under the terms of the contract, for other with-profits policies. An allowance is made for final bonus where appropriate on a claim arising on surrender of the latter policies. Final bonus is currently expressed as a percentage addition to the guaranteed benefits, including previously declared bonuses.

In the past, special bonuses have been declared on certain life assurance policies. These bonuses represented a consolidation of part of the final bonus otherwise payable on death and maturity claims.

Regular bonus declarations take into account the rates, which we expect to be able to maintain over the terms of both existing and new policies on the basis of current economic conditions. For this purpose, account is taken of the premium rates charged, the expected future experience, particularly with regard to future investment returns, and the financial resources of the Company. Changes in regular bonus rates are required from time to time as both recent and expected future experience change. Such changes are, however, made over a period of time in order to provide a degree of smoothing to the build up of guaranteed benefits. Final bonuses arise mainly from capital appreciation of equity shares and property and so are reviewed from time to time in the light of prevailing financial conditions.

Regular bonus rates are set at a level that permits an appropriate Final bonus margin to emerge.

In the case of contracts with options, the final bonus rate is determined by comparing the asset share with the value of the principal benefit under the contract. The same final bonus rate is applied whatever the option selected by the policyholder.

- (iv) Fairness of treatment between investors holding policies issued at different times is achieved by assessing maturity and surrender payments having regard to the results of asset share calculations. Long term maturity payouts will average 100% of asset share with surrender payouts generally targeting 95%.

Where investments are in the unitised with-profits funds, fairness of treatment on cancellation of units may occasionally require the payment of a value less than the quoted bid value of units or, where final bonus is currently applicable, a value less than the quoted bid value of units increased by the application of the current final bonus scale. This is achieved by the application of a reduction factor, known as a Market Value Reduction (MVR), to the quoted bid value of units or, in the latter case, to the quoted bid value of units plus final bonus. In deciding whether to apply a MVR, we may consider each encashment on a case by case basis.

The investment performance of the With Profits Fund during the period of investment is compared with the return already credited to the policy by means of increase in unit prices and by the application of the final bonus scale. Current practice is only to consider applying a MVR when the investment performance of the with-profits fund is less than the return already credited.

For investments made within five years of cancellation, the Company intends to provide less

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

smoothing and potentially take full account of any shortfall between the bid value of units plus final bonus and the market value of assets. For longer periods of investment we would apply a gradually increasing smoothing benefit.

For stakeholder pensions policies invested in the stakeholder with-profits fund, a MVR is also more likely to be applied on a more frequent basis than under the main unitised with-profits fund. This is because the stakeholder with-profits fund stands on its own and must be able to support itself without assistance from the Company's free reserves. In the early years of stakeholder pensions business, the smoothing account described above will take time to build up and so there will be less "free assets" available to smooth out the peaks and troughs in market values. It is therefore more likely to be necessary to apply a MVR in order to protect the interests of the remaining policyholders in the stakeholder fund.

More frequent application of MVRs or a change in the smoothing policy outlined above could be expected if we experience a prolonged period of depressed markets, a heavy incidence of withdrawals from the fund, or the occurrence of substantial business losses in the fund.

- (v) Any costs associated with Personal Pension Compensation payments, including the associated expenses and levies are currently charged to the free reserves. Costs associated with the exercise of guaranteed annuity options are met from free reserves.

The Company has announced its intention that payments on with profit mortgage endowment policies will, if necessary, be topped up at maturity where there is a shortfall between the claim value and the mortgage originally targeted, provided that future investment returns between 1 January 2000 and the date of maturity average no less than 6% p.a. net and that such payments can be met from future investment earnings on the free reserves within its life fund. The cost of such top up payments will be charged to the Estate. In such cases, the maturity payment may represent more than 100% of asset shares.

Before the mortgage endowment shortfall announcement was made a number of endowment policies had been taken out with the intention of eliminating a possible shortfall at maturity. Following the announcement these policies might be considered unnecessary and the Company offered policyholders the option of a full refund of premiums or an additional 10% payment at maturity. In such cases the total maturity payment will represent more than 100% of asset share.

Final bonus policy is not subject to frequent changes but the Directors reserve the right to alter the conditions for the payment of final bonuses or to cease paying final bonuses at any time without notice.

- (f) The amount available for distribution amongst with-profits policyholders and shareholders is determined from time to time by the Directors on the advice of the With Profits Actuary. The proportion of profits distributed to shareholders is limited by the 1997 Restructuring Scheme and subsequent developments (see 14(1)).

- 14 (3)** Asset shares are calculated for sample policies issued at different times in the past. Separate calculations are carried out for each of the main categories of with-profits contracts.

Final bonus scales are constructed, based on the sample policies, to provide policy payouts which are consistent with the aims described in 14(2) above. Revised final bonus scales are determined at the beginning of each calendar year based on financial conditions at that time and the anticipated investment performance during the year. These scales are monitored during the year and may be changed during the year in the event of significant stock-market movements.

In the case of unitised with profit contracts, MVR's are regularly reviewed during the year having regard to the performance of the With Profits Fund and the level of withdrawals.

- 15** (i) The regular bonuses declared at 31 December 2004 were as follows:

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

Assurances United Kingdom and Minor Sterling	Whole Life with full profits %	Endowment Assurances with-profits %	Approved Pension Business * %
Closed series, simple on basic benefit	16.00	13.00	18.00
Current series, compound on basic benefit	0.00	0.00	0.00
on existing bonus	0.50	0.50	0.00

* Whole Life policies receive 21.00%.

(ii) **Immediate Annuities**

For pensions annuities a bonus of 2.00% applied as an increase to the annual annuity from the next policy anniversary from February 2005.

(iii) **Deferred Annuities not yet vested and cash benefit schemes****United Kingdom and Minor Sterling:**

Pension Security and self-employed deferred annuity policies taken out under Section 226 of the Income and Corporation Taxes Act 1970 and exempt approved deferred annuities and cash benefits:		
	%	
Closed series, Scottish Union, simple	18.00	on pension
Current series, compound on basic benefit	0.00	
on existing bonus	0.00	

10% Plan policies		
	%	
Closed series, simple not exempt approved	8.00	on sum insured or pension
Current series, compound on basic benefit	0.00	
on existing bonus	0.00	

(iv) **Cash bonuses and bonuses not based on the sum insured****United Kingdom and Jersey:**

For unitised with-profit contracts, the following rates of bonus are added to the unit value on a daily basis until further notice.

These rates apply to directly written business. Rates applicable to business reinsured from CGNU Life Assurance, Norwich Union Life (RBS) and Norwich Union International Ltd are not shown, since this reinsurance was recaptured by CGNU Life on 1st January 2005.

Type of contract	Rate %
Directly written UK Life contracts (including investment bonds) – with guaranteed minimum bonus rate	2.50
Directly written UK Life contracts (including investment bonds) – without guaranteed minimum bonus rate	2.00
–	
Directly written UK Pension contracts – with guaranteed minimum bonus rate	4.00
Directly written UK Pension contracts – without guaranteed minimum bonus rate	3.00
–	
UK ISA contracts	3.00

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Jersey Investment Plan	3.00
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Belgium:

A bonus of 0% of the average surrender value during 2004 applicable to policies with sums insured both between the equivalent of BFRs300,000 to BFRs599,999 and over the equivalent of BFRs599,999.

16 (i) Interim Bonuses

These are payable on claims arising after the policy anniversary but before the next declaration date. The rates of interim bonus are usually stated on each 31 December declaration date to be the same as the declared rate, but these are not guaranteed to apply throughout the year and the Directors have power to declare revised interim bonuses part way through the year.

(ii) Final Bonuses

For most categories of with-profits business, bonuses are payable in the event of a claim. In general these are not guaranteed to apply throughout the calendar year, and the Directors have power to declare revised scales of final bonus from a date part way through the year.

The rates of final bonus are as follows:

United Kingdom and Minor Sterling

Conventional Contracts:

A final bonus to be payable from 1 January 2005 until further notice on claims by death (except deferred annuity and cash benefit schemes) or maturity calculated upon the sum insured and varying according to the year in which the policy was taken out. There are separate scales for regular premium and single premium approved pensions business.

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

Specimen bonuses are as follows:

Bonus per thousand			
Policy first participating bonuses	Ordinary Business £	Approved Pensions Business	
		Regular Premium £	Single Premium £
2001	0	105	0
1996	0	70	150
1991	150	170	85
1986	165	0	340
1981	605	490	2080
1976	1685	2440	11635
1971	3760	6385	17545
1966	7420	8510	19670
1961	10130	10635	21795
1956	12380	12760	23920
1951	14630	14885	26045
1946	16880	17010	28170
1941	19130	19135	30295
1936 and earlier	21380	21260	32420

Unitised Contracts

A final bonus from 1 January 2005 until further notice, based on the unit value and payable on a claim provided the contract has been in force for at least one year at the date of the claim. Bonus rates are as follows:

Money Invested in Year	Savings Business %	Pensions Business and Jersey Investment Plan %	Group Defined Benefits %	ISA Contracts % of SA & Bonus
2004	3	3	3	3
2003	6	7	7	7
2002	3	2	2	0
2001	0	0	0	0
2000	0	0	0	0
1999	0	0	0	0
1998	0	0	0	-
1997	0	0	0	-
1996	4	3	0	-
1995	11	11	5	-
1994	8	8	1	-
1993	12	12	3	-
1992	19	21	7	-
1991	13	13	4	-
1990	5	2	0	-
1989	0	0	0	-
1988	-	2	-	-
1987	-	9	-	-

These rates apply to directly written business. Rates applicable to business reinsured from CGNU Life Assurance, Norwich Union Life (RBS) and Norwich Union International Ltd are not shown, since this reinsurance was recaptured by CGNU Life on 1st January 2005.

Immediate Annuities

A final bonus rate of 2%, 5%, 3% and 0% of the annual annuity payable for the policy year commencing from February 2005 to January 2006 for business written in 2004, 2003, 2002 and pre 2002 respectively.

(iii) Other Bonus

Valuation Report - IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004****United Kingdom and Minor Sterling**

With profits deferred annuities and cash benefit master policies effected in conjunction with approved funds or schemes which are still premium paying, received the following bonuses:

- (i) A periodic review bonus on the policy anniversary as a percentage of all premiums paid for members not yet retired;
- (ii) For members reaching retirement date a maturity bonus of a percentage of the retirement benefits.

The present bonus rates, which depend upon premium rate series, are:

	Periodic Review Bonus (%)	Maturity Bonus (%)
Premium rates pre 2000	0	0
Premium rates issued from 2000	0	0

17 &**18** Forms 46 and 47 follow for Global business in the Ordinary Long Term Fund.**19 (1)** Forms 48 and 49 follow.**19(2),****(3)&(4)** The information is included in the IPRU(INS) Rule 9.29 statement on derivatives.**20** Forms 51 to 55 follow. No Form 56 is needed as there is no index linked investment liability in respect of the business reported in Form 54.**21 (1)** Form 57 follows.**21 (2)** In accordance with PRU 4.2.41R, a prudent adjustment, excluding that part of the yield estimated to represent compensation for the risk that the income from the asset might not be maintained or that capital repayments might not be received as they fall due, was made to the yield on assets other than equity shares and land.

This adjustment took account of:

- (i) The historic experience of bad debts for each of the major fixed interest asset classes
- (ii) Market margins of gross yield over the yields of risk-free investments of a similar term in the same currency, where available
- (iii) The reasonableness of the net of adjustment yields over the yields of risk-free investments of a similar term in the same currency, taking account of the points above
- (iv) The need to take a prudent view of the above.

The adjustment made is expressed as a deduction from the expected yield and varies by type of asset as follows:

Type of Asset	Deduction from yield
Deposits	0.10%
Approved fixed interest securities	0.00%
Other fixed interest securities – with profit fund	0.40%
Other fixed interest securities – non profit fund	0.31%
Loans secured by mortgages	0.50%

21 (3) In accordance with PRU 4.2.41R, adjustments to yields to exclude that part of the yield from each category of asset that is needed to compensate for the risk that the aggregate income from that category of asset, taking one year with another, might not be maintained, was made for equity shares and land.

For equity shares, the yields on individual stocks were restricted to be not more than the yield on the 15 year FTA Gilt Index plus 2%.

For land, the yield on individual properties was restricted similarly to the 15 year FTA Gilt Index plus 3%.

22/23 Forms 58 and 60 follow.

Returns under the Accounts and Statements Rules

Valuation Report - IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

M.N.Urmston
Actuarial Function Holder

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Introduction

- 1.1. The valuation date is 31st December 2004
- 1.2. This is the first valuation under PSB.
- 1.3. No interim valuation has been completed under PSB.

Assets

2.1. Economic assumptions for valuation of non-profit business

The NUL&P WP fund has no future non-profit profits that require economic assumptions. The only profits are release of LTICR and RCR on the non-profit business which are assumed to value at face value. The profits in respect of the reinsurance treaty with NULL are the present value at the financing rate within the treaty.

- 2.2. Not applicable
- 2.3. Not applicable

With-Profits Benefits Reserve Liabilities

- 3.1. There are four main methods used to calculate the with-profits benefits reserve.
 - Asset share (individual) (retrospective)
 - Asset share (group) (retrospective)
 - Bonus Reserve Valuation (prospective).
 - Regulatory Reserve (prospective)

The majority of the with-profits benefits reserves are asset shares calculated on an individual policy (or increment) basis. They represent an accumulation of premiums plus investment return less charges and other sources of profit or loss in line with the fund's PPFM.

Some of the asset shares are calculated on a grouped basis. For example on UWP Group defined benefit contracts, where bid value of units (BVU) by year of unit purchase have asset share over BVU factors applied to them to derive the aggregate asset shares.

Where asset shares are not currently calculated, or where they are unreliable as a starting point for deriving future bonuses, then either bonus reserve valuations (BRVs) or regulatory reserves are used. BRVs are the discounted value of future expected benefits and expenses using risk-free earned and discount rates along with best-estimate assumptions for other basis items such as lapses and mortality. BRVs are used for the following classes of business:

- Conventional Pension PUPs (paid up policies) where payouts are determined from projections of premium paying policies.
- Conventional Whole Life policies.
- With-profit immediate annuity business.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Regulatory reserves are used for remaining small classes of business where asset share or BRV calculations are not currently carried out.

NUL&P WP @31/12/2004

Product Class	With-profit benefits reserve (£m)	Future Policy Related Liabilities (£m)	Total (£m)
Conventional Life - <i>Asset Share (ind)</i> - <i>BRV</i>	6,368 770	585	7,723
Conventional Pensions - <i>Asset Share (ind)</i> - <i>BRV</i>	2,643 648	1,955	5,246
UWP Life - <i>Asset Share (ind)</i>	3,002	-26	2,977
UWP Pensions - <i>Asset Share (ind)</i>	7,247	7	7,254
Reinsured-in UWP Life - <i>Asset Share (ind)</i> - <i>Regulatory Reserve</i>	907 9	34	951
Reinsured-in UWP Pensions - <i>Asset Share (ind)</i> - <i>Regulatory Reserve</i>	153 18	14	184
Reinsured-in UWP Stakeholder - <i>Asset Share (ind)</i> - <i>Regulatory Reserve</i>	76 4	1	81
Miscellaneous Other	0	122	122
Total	21,846	2,692	24,538

The with-profits benefit reserves are mainly asset shares calculated on an individual policy level. The asset shares are an accumulation of premiums, investment return, expense deductions and other adjustments such as for surrender and mortality profits, as set out in the fund's PPFM. Asset shares for the conventional business are charged actual expenses. Asset shares for the direct-written UWP business are charged the policy charges. As from 1st May 2004 all direct-written NUL&P WP asset shares are charged 0.75% p.a. to help cover the cost of guarantees in the fund.

The only direct-written new business in NUL&P WP (other than increments on existing contracts) is the with-profit annuity.

Conventional Life consists mainly of conventional endowments with an amount of whole-life contracts (£770m). All conventional life products are written on a 90/10 basis. Conventional life endowment policies have guaranteed amounts at maturity equal to the basic sum assured plus any regular bonus accrued to date. Conventional whole life contracts provide a guaranteed payout on death of basic sum assured plus regular bonus accrued to date.

Conventional Pensions consists mainly of deferred cash schemes with attaching guaranteed minimum annuities due at retirement. There is also a block of deferred annuity business with minimum cash values at retirement. Asset shares are used for all premium-paying business. Paid up policies are valued using a BRV approach (£503m). In line with current bonus practice, the BRV is based on the final bonus scales derived from projected premium paying policies.

Conventional Pensions also contains £145m of with-profit annuity business valued using a BRV calculation. The with-profit annuity provides a level of income equal to a basic amount, plus accrued regular bonus, plus a discretionary top-up bonus. Customers can also select a future anticipated level of regular bonus. This increases the initial annuity amount payable, but the annuity amount reduces by the anticipated amount each year such that the total annuity payable would be level if the actual regular bonus rate equalled the anticipated rate. There is also a guaranteed minimum annuity amount attaching to this contract. With-profit annuity new business is still being written by NUL&P WP.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

UWP Life consists of unitised single premium bonds and unitised mortgage endowments all written on a 100:0 basis. UWP units purchased prior to 1/1/1999 for policies sold prior to 1/1/1995 have a guaranteed minimum regular bonus rate of 2.5% p.a, the asset share for this business at 31st December 2004 is £708m.

The following guarantees apply to NUL&P UWP bonds.

Product	Dates of Issue	Anniversary Guarantee
Capital Plan	1989-93	No MVR on 10 th 15 th 20 th etc
Norwich With-Profit, Bicentennial, and Flexibond	1996-1/10/2002	Money back on 10 th

There is also the guarantee that MVRs will not apply on any automatic partial withdrawals selected from outset (subject to certain limits).

UWP Pensions consists of unitised individual and group personal pensions written on a 100:0 basis. UWP units purchased prior to 1/1/1999 for policies sold prior to 1/1/1995 have a guaranteed minimum regular bonus rate of 4% p.a, the asset share for this business at 31st December 2004 is £4,661m.

Reinsured-in UWP business is business that has been reinsured in from CGNU Life on a quota share basis between 2nd October 2000 and 31st December 2003. The business consists mainly of UWP Bonds along with a smaller amount of UWP individual, group and stakeholder pensions. The quota share proportions are as follows:

From:	CGNU Life	CULAC	NUL&P WP
1 st October 1998	50%	50%	-
1 st January 1999	25%	75%	-
2 nd October 2000	20%	60%	20%
1 st January 2002	45%	45%	10%
1 st January 2004	55%	45%	-

Reinsured-in UWP Life mainly consists of unitised bonds with a small amount of unitised endowments (£1m). UWP units increase in value at the declared regular bonus rates and cannot reduce at the contractual maturity dates or at contract-specific no-MVR dates. Any final bonus due is added at policy exit. The value on exit can be subject to an MVR if exit is not at one of the contractual no-MVR dates.

Here follows a table of the various no-MVR spot rate guarantees that apply to the CGNU Life written UWP bonds.

UWP Life Bonds	Date Sold	No-MVR Anniversary
NU Portfolio Bond, Flexibond, Bond 2000	2/10/2000-24/6/01	No MVR on 10 th 15 th 20 th etc
NU Portfolio Bond, Flexibond, Bond 2000	25/6/01-16/1/02	No MVR on 10 th
NU Portfolio Bond, Flexibond, Bond 2000	16/1/02- 2/7/03	Money back on 10 th
NU Portfolio	3/7/03 – 8/2/04	Money back on 10 th

There is also the guarantee that MVRs will not apply on any automatic partial withdrawals selected from outset (subject to certain limits).

Reinsured-in UWP Pensions consists mainly of individual and Group personal pensions and pension single premium bond. As for reinsured-in UWP Life, UWP units increase in value at the declared regular bonus rates and cannot go down in value on death, at the selected retirement date and at age 75. Any final bonus due is added at policy exit. The value on exit can be subject to an MVR if not at the selected retirement date.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Reinsured in UWP Stakeholder policies have charges capped at 1% p.a. The 1% charge is taken through unit cancellation and is also allowed for in the final bonus rates. A no-MVR guarantee applies at the selected retirement age and at age 75.

'Miscellaneous other' consists of reserves held to cover other liabilities to the fund that cannot be assigned to certain product types such as Pension transfer review reserves, reserves for future development and audit fees. The figure also includes the reserve for future shareholder transfers and the associated tax that are not chargeable to asset shares.

With-profits benefits reserve – Retrospective method**4.1. Table of methods**

Method	With-profit benefits reserve (%)
Asset Share (individual)	93.4
Asset Share (grouped)	0.0
BRV	6.5
Regulatory Reserve	0.1
Miscellaneous Other	0.0
Total	100.0

The table above shows the proportion of with profit benefit reserves calculated using each method.

All asset shares have been calculated on an individual basis.

4.2. Changes in valuation method

- (a) This is the first valuation under the PSB.
 (b) N/A

4.3. Allocation of expenses

The text below sets out the treatment of charges made to asset shares with respect to expenses and commission. Broadly, some policies are charged sales and administration expenses incurred by the fund, some follow this approach but have the overall charge capped, and a third group has defined charges.

Other expenses, or the difference between the expense and the charge to asset share fall to the estate.

	£m	Charged to WPBR	Not-Charged to WPBR	Non-Profit expenses	Misc Expenses	Total
2004 Expenses and commission		133	0	0	4	137
2004 Shareholder Transfers		2	20	0	0	22

The above table approximately splits out the expenses incurred over 2004. Non-profit expenses are expenses relating to non-profit business within the fund. NUL&P WP direct-written business asset shares are charged all actual expenses and charges incurred. Miscellaneous expenses relate to various expenses such as audit and development costs.

Asset shares for NUL&P WP direct written business are not charged shareholder transfers. The £2m above relates to UWP business reinsured from CGNU Life.

A reliable breakdown of the expenses charged to WPBR split between initial and renewal is not currently available.

Expenses charged to the with-profit funds

Per-policy expenses are charged to the with-profits funds based on expenses that are laid out in the Management Services Agreement (MSA). These cover fixed initial expenses and ongoing

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

maintenance expenses. MSA charges inflate each calendar year at RPI + 1% for CGNU Life written business, and RPI + 1.5% for NUL&P WP written business. The current MSA agreement is due for renewal in 2008.

Investment management expenses are charged to the funds in line with the Investment Management Agreement with the fund managers and are reviewed on at least an annual basis.

Commission and sales related expenses are also charged to the with-profits funds. Initial and renewal commission scales and uplifts depend on product type and the agreement with the particular sales channel.

The with-profit funds also incur other non policy-related expenses such as for development expenses, audit fees and mis-selling expenses. These are charged to the with-profit fund as laid out in each fund's PPFM.

Total expenses to each fund are reported and reviewed on a monthly basis.

Shareholder transfers are charged to the with-profits funds. Most conventional business is written on a 90/10 basis with transfers equal to 1/9th of the cost of bonus. NUL&P WP conventional with-profit annuity business written prior to 2nd October 2002 has shareholder transfers equal to a fixed proportion of asset shares. Most UWP business written by CGNU Life is written on a 90/10 basis, some more recent single premium bond new business has been written on a 91/9 and 92/8 basis. UWP business written in NUL&P WP is on a 100:0 basis - charges and expenses are incurred in NUL&P NP.

Expenses charged to the with-profits benefit reserves

The total expenses charged to with-profits benefit reserves over 2004 are approximately £133m. The majority of this relates to renewal expenses as there is minimal new business written in NUL&P WP.

Deductions are made to the asset shares in respect of expenses and commission and shareholder transfers. The difference between expenses, commission and shareholder transfers incurred and charges made are a credit to or deduction from the estate.

Sales and policy administration expenses are charged to asset shares in three main ways:

- Actual expenses incurred
- Actual expenses incurred, subject to an overall cap
- Policy charges applied

Actual expenses apply to the following product groups:

- NUL&P WP conventional business
- CGNU Life UWP implicit charge business sold prior to 1st October 2001 (implicit charge refers to bonuses being net of expenses)

In addition, all CGNU written UWP Personal Pensions issued prior to 1st December 2000 have the deductions made in respect of expenses capped at 1% p.a. as part of the 'stakeholder promise'.

Asset shares are currently charged 100% of the MSA agreement. They are also charged the management investment fee and any custody fees. Any initial or renewal commission is deducted from the asset share. Shareholder transfers for CGNU written business are also charged to the asset share.

Policy charges are applied to the following product groups:

- NUL&P UWP business
- CGNU Life UWP implicit charge business sold 1st October 2001 onwards (implicit charge refers to bonuses being net of expenses)
- CGNU Life UWP explicit charge business (2000 onwards individual pensions, stakeholder pensions and 'Candid' bonds). (explicit charge bonuses are gross of expenses)

The asset share is deducted the actual charges on the policy, e.g. a 1% annual management charge applies for stakeholder pensions, and also e.g. the initial charge at the end of the first five policy years for CGNU bonds. Also note that any surrender penalty would apply to the asset share on exit.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Expenses not charged to the with-profits benefits reserve

For UWP explicit charge business written in CGNU Life the difference between the actual expenses charged to the fund and the charges taken from the asset shares are accrued to the estate.

Any expenses on UWP Pensions business in excess of the stakeholder promise 1% cap is charged to the estate.

For UWP business written in NUL&P WP the actual expenses are passed across to NUL&P NP along with the charges deducted from the asset shares, so no policy related expenses are accrued to the estate.

Shareholder transfers for NUL&P conventional business are charged to the estate.

Additional tax on shareholder transfers for CGNU Life written business is charged to the estate.

All development, regulatory and audit fees are not currently charged to asset shares, although this is reviewable in line with statements in the PPFMs.

4.4. Guarantee Charges

CGNU Life written business

No explicit deduction is made from the with-profits benefit reserves in respect of guarantees.

NUL&P WP written business

A deduction of 0.75% p.a. from the with-profits benefit reserves for direct-written NUL&P WP business was introduced on 1st May 2004 to help cover the cost of guarantees. Total charges made over 2004 are approximately £97m.

4.5. Non-Insurance Risk Charges

CGNU Life written business

No explicit deduction is made from the with-profits benefit reserves in respect of non-insurance risks.

NUL&P WP written business

No explicit deduction is made from the with-profits benefit reserves in respect of non-insurance risks.

4.6. Claims ratios

Fund	Product Type	2002	2003
CGNU Life	UWP	110%	110%
NUL&P WP	Conventional	115%	106%
	UWP	111%	107%

The figures for 2002 and 2003 are estimates.

Fund	Product Type	2004
NUL&P WP	Conventional Life	101%
	Conventional Pensions	110%
	UWP Life	99%
	UWP Pensions	102%
CGNU Life – reinsured in	UWP Life	108%
	UWP Pensions	105%
	UWP Stakeholder	98%

The figures above for 2004 are estimates based on actual maturity and surrender payouts for the period April to December 2004. The figures for CGNU Life reinsured-in business relate to all CGNU Life written business.

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

All entries for Form 19 lines 32 and 33 in respect of reserves for past miscellaneous surplus and any past miscellaneous deficit are zero.

4.7. Gross investment return allocated to WPBR

Gross returns allocated to asset shares over 2004. The rates quoted below are average rates that apply.

CGNU Life written business 11.55%

NUL&P WP written business 10.26%

Asset shares for business written by CGNU Life and CULAC are credited investment returns based on the combined assets backing the asset shares of both funds

The PPFM explains that returns from fixed-interest are allocated to asset shares by matching the outstanding policy term to the outstanding term of the fixed-interest assets. Returns on this basis are similar to the levels above e.g. within a couple of percentage points, being lower for short duration outstanding policies.

In practice, consideration of 2005 final bonus was based on the average return rather than the duration specific return. This had no material implication on payouts in 2004 as a result of smoothing and guarantees.

With-profits benefits reserve – Prospective method

5.1. Prospective assumptions

Bonus reserve valuation (BRV) is used for approximately 6.5% of the with-profit benefits reserve. The key blocks of business valued in this way are conventional whole life contracts and conventional paid-up pension policies (PUPs). BRV for conventional whole life is based on regulatory reserves plus a margin for final bonus. BRV for conventional PUP policies uses the stochastic guarantee cost model.

Just 0.1% of the with-profit benefits reserve consists of regulatory reserves, so the assumptions have not been included here.

The key assumptions behind the prospective valuation of with-profit benefits reserves are as follows:

Economic Assumptions

The valuation of the BRV for the conventional Pension PUPs uses the stochastic valuation model used to value guarantee costs with term dependent risk free rate for both the earned rate and discount rate. In summary these are:

Term (years)	Rate (gilt +0.1%)
1	4.67%
5	4.71%
10	4.75%
15	4.57%

Future economic assumptions for the conventional whole life and with-profit immediate annuity business:

Discount rate: Life	3.4%
Pensions	4.68%
Expense Inflation	4.37%

Future Assumed Regular Bonus Rates

Product Class	2005
Conventional Whole Life	Implicit in discount rate
Conventional Pension PUPs	0%
With-profit Immediate Annuity	2%

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Final bonuses on paid-up pension contracts are based on the premium paying policy scales which are derived from projections of the asset shares under the stochastic model. As they vary under each simulation they have not been included here.

Future Expense Assumptions

Product Class	Renewal Expenses 2004	Expense Inflation
Conventional Whole Life	Implicit in net premium	
Conventional Pension PUPs	24.78	4.37%
With-profit Immediate Annuity	19.18	4%

Conventional whole life uses a net premium valuation method. Expenses are implicit in the premium derived from the valuation basis.

Future Assumed Lapse Rates

Product Class	Policy Duration							
	%	1	2	3	4	5	6	7+
Conventional Whole Life	0	0	0	0	0	0	0	0
Conventional Pension PUPs	2	2	2	2	2	2	2	2
With-profit Immediate Annuity	0	0	0	0	0	0	0	0

Future mortality assumptions

Conventional whole life: A67/70 Ult less 3 years to age
 Conventional pension PUPs: 45% A67/70
 With-profit annuity: Based on % of standard table PMA80/PFA80 reflecting own experience.

Costs of guarantees, options and smoothing

6.2.

(a) The calculation of the cost of guarantees, options and smoothing and the cost of the mortgage promise has been performed using a stochastic model with a few exceptions. The cost of guaranteed annuity options and section 32 guaranteed minimum pensions have been valued using a market value replication technique – this is described in section 6.4.(b). The cost of the Pensions 1% promise is valued using a deterministic projection at policy level of future charges and expenses using the risk free rate. A description of the stochastic model is given below.

(b) Grouping Basis

All valuation methods use grouped policy data. Data has been divided as follows:

For conventional business:

- Product class (e.g. life endowment, conventional pensions)
- Entry Year
- Maturity Year

For unitised with-profit business:

- Product class (e.g. life bonds, individual pensions)
- Year of unit purchase
- Guarantee date (date at which a person is expected to take their guarantee, e.g. NRD for pensions, no-MVR date for bonds)

Guarantee costs are not calculated by projecting individual or grouped model points. Instead, the aggregate asset shares and guaranteed amounts are projected for each of the cohorts above.

Validations

The total guaranteed amounts are reconciled back to the Regulatory valuation results. The aggregate asset shares are reconciled to the totals in Form 19.

(c) Not applicable.

6.3. This is the first valuation under the PSB.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004****6.4. Description of guarantees, options or smoothing being valued****6.4.(a) Stochastic Model - Description of guarantees, options or smoothing**

6.4.(a)(i) Here follows the cost and description of the guarantees, options and smoothing methods by product grouping.

NUL&P With Profits Fund: 31/12/2004.

Product Class	Planned deductions for costs of guarantees / options	Planned Deductions to WPBR for other costs	Contractual Guarantee costs	Non-Contractual Commitments	Smoothing costs
Conventional Life	264	43	56	585	10
Conventional Pensions	148	4	535	0	66
Direct Written - UWP Life	84	6	21	44	0
Direct Written - UWP Overseas	0	0	0	0	0
Direct Written - UWP Pensions	537	29	573	0	0
Direct Written - UWP Stakeholder	0	0	0	0	0
Reinsured - UWP Life	0	1	32	0	0
Reinsured - UWP Pensions	0	1	13	0	0
Reinsured - UWP Stakeholder	0	0	1	0	0

Planned Deductions to WPBR for guarantees/options/smoothing

This represents the expected future value (from 1 January 2005) of the 0.75% p.a. charge made on direct-written NUL&P WP asset shares. This charge has been made to help cover the future costs of guarantees within the fund. This charge was introduced 1st May 2004.

Planned Deductions to WPBR for other costs

This represents the reduction in guarantee costs from targeting long-term payouts at 99% of asset share rather than 100% asset share. 99% is the long-term target payout required to give broadly neutral smoothing costs allowing for costs incurred to the valuation date.

Contractual Guarantee Costs

The total disagrees with the Form 19 total because of £548m of Section 32 Guaranteed Minimum Pension costs that are valued using a non-stochastic method (see 6.4.b).

Conventional Life

This represents the cost of the basic sum assured plus any accrued bonuses to date exceeding 100% asset share under the stochastic projection.

Stochastic Reserve	=	£56m
Best-estimate	=	£1m
Option value	=	98%

Conventional life guarantees are almost completely out of the money.

Conventional Pensions

This represents the cost of the basic sum assured plus any accrued bonuses to date exceeding 100% asset share under the stochastic projection. The costs of providing for guaranteed minimum pensions on Section 32 contracts is covered in section 6.4.b as is the cost of any guaranteed annuity options under the cost of financial options.

Stochastic Reserve	=	£535m
Best-estimate	=	£504m
Option value	=	6%

Conventional pension guarantees are very in-the-money.

Direct Written UWP Life

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection. Note that this includes the cost of smoothing final bonus.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Year of Unit Purchase	BVU (£m)	Asset Share / BVU (%)
1989	10	99%
1990	126	107%
1991	353	115%
1992	38	121%
1993	13	114%
1994	24	110%
1995	33	113%
1996	204	106%
1997	262	101%
1998	304	94%
1999	905	90%
2000	672	88%
2001	50	96%
2002	36	105%
2003	32	109%
2004	31	104%
	3,091	97%

This table shows the ratio of asset share over bid value of units for the majority of the NUL&P WP written UWP Life business as at 31st December 2004. This gives an indication of the extent of in or out of the money which varies by year of entry.

Direct Written UWP Pensions

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection. Note that this includes the cost of smoothing final bonus and the cost of any guaranteed bonus rates. This also includes the cost of the stakeholder promise whereby we have promised to deduct no more than the equivalent of 1% p.a. annual management charge to cover expenses on all unutilised personal pensions from 1st April 2001.

Year of Unit Purchase	BVU (£m)	Asset Share / BVU (%)
1987	0	111%
1988	78	105%
1989	477	95%
1990	486	104%
1991	520	116%
1992	500	124%
1993	439	115%
1994	352	110%
1995	324	114%
1996	353	105%
1997	458	99%
1998	353	91%
1999	410	87%
2000	393	84%
2001	330	93%
2002	339	104%
2003	316	109%
2004	263	104%
	6,390	104%

This table shows the ratio of asset share over bid value of units for the majority of the NUL&P WP written UWP Pensions business as at 31st December 2004. This gives an indication of the level of current guarantee costs

Reinsured in - UWP Life

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection for the business reassured in from CGNU Life. Note that this includes the cost of smoothing final bonus. The table below compares asset share to BVU for all policies written in the CGNU.

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Year of Unit Purchase	BVU (£m)	Asset Share / BVU (%)
1990	6	129%
1991	80	114%
1992	159	125%
1993	119	111%
1994	98	110%
1995	190	107%
1996	232	97%
1997	337	95%
1998	448	88%
1999	930	81%
2000	2,303	77%
2001	2,937	88%
2002	1,917	101%
2003	582	108%
2004	479	105%
	10,816	91%

Reinsured in - UWP Pensions

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection for the business reassured in from CGNU Life. Note that this includes the cost of smoothing final bonus. The table below compares asset share to BVU for all policies written in the CGNU fund (not just those that have been reinsured to CU).

Year of Unit Purchase	BVU (£m)	Asset Share / BVU (%)
1990	119	109%
1991	24	114%
1992	51	116%
1993	47	105%
1994	48	112%
1995	70	111%
1996	161	101%
1997	215	97%
1998	171	85%
1999	186	79%
2000	339	78%
2001	553	91%
2002	274	106%
2003	125	111%
2004	98	102%

Reinsured in - UWP Stakeholder

This represents the cost of the payouts exceeding 100% asset share due to no-MVR guarantee under the stochastic projection for the business reassured in from CGNU Life. Note that this includes the cost of smoothing. The table below compares asset share to BVU for all policies written in the CGNU fund.

Year of Unit Purchase	BVU (£m)	Asset Share / BVU (%)
2001	130	99%
2002	188	110%
2003	132	114%
2004	136	106%
	586	108%

Non-Contractual Commitments

Conventional Life

This represents the cost of the mortgage endowment promise from conventional endowments (plus a small cost from unitised endowments). The amount paid under the promise is the

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

difference between the mortgage amount and policy payout if returns are 6% or more, or the amount as communicated to policyholders in other circumstances.

Payment of the mortgage promise is conditional on the investment earnings achieved on the estate. These must be sufficient to pay the shortfall amounts falling due each year. A stochastic projection of the future earnings arising on the estate implied that there were simulations when they would be insufficient to pay the costs of the promise in certain future years. The reduction is small in Scenario 1 but larger in the stress tests.

The projection of the ability to pay was made using the following assumptions:

- If we are unable to pay the full amount in one year we may still pay the full amount in subsequent years.
- The calculation of the earnings on the estate takes into account the earnings we have actually received since the promise was made (31/12/1999).

The payment of promise amounts also gives rise to additional transfers to shareholders.

UWP Life

This represents the cost of the mortgage endowment promise on UWP endowments.

Smoothing Costs

Conventional Life

This represents the cost of smoothing final bonus from the assumption that payouts based on 100% asset share will not move by more than 15% from year to year on similar termed products. This is consistent with statements in the PPFM.

Conventional Pensions

This represents the cost of smoothing final bonus from the assumption that payouts based on 100% assets share will not move by more than 15% from year to year on similar termed products. This is consistent with statements in the PPFM.

UWP

Smoothing costs for all the UWP business are included in the contractual guarantee costs.

6.4.(a)(ii) **Description of the asset model**

The distribution was calculated using the following assumptions:

Risk-free rate:

- Risk-free rate curve as shown below –

Outstanding term	Risk free annualised spot rate (%)
1	4.67
2	4.58
3	4.59
4	4.61
5	4.63
6	4.65
7	4.66
8	4.67
9	4.68
10	4.69
12	4.70
15	4.68
20	4.61
25	4.53
30	4.46

- The discount rate was set equal to the risk-free rate as above EXCEPT for the calculation of future profits on non-profit business. For this calculation the discount rate

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

was increased by 0.5%. This is an adjustment to reflect risk and uncertainty on the non-profit business.

- All assets were expected to grow at the risk-free rate (ie risk neutral pricing was used).

Derivation of risk-free rate curve:

The risk free rate was based on governments bonds, increased for the element of the swap – gilt spread that could be ascribed to the “repo ability” of the gilts.

The swap – gilt spread varies between 25bp at the very long end to 42bp for short term stocks. The average and the spread for the 10-15year period is around 30bp.

Our decomposition of this spread is

Description	Bp
LIBOR – LIBMID (to get mid market)	6
LIBMID – repo at 3 months (credit spread)	9
Implied Repo ability	15
Total spread	30

This implies a gilt + 15 bp could be justified based on 31/12/2004 market conditions, however, we have used gilt + 10bp approach because the market conditions at 31/12 are possibly the result of specific year end conditions (i.e. swaps and gilt rates are artificially because of thin trading) – gilt + 10bp has been appropriate earlier in the year.

Use of the curve:

A risk-free rate curve was used for most option-pricing purposes. However, some systems are unable to implement the curve structure and so an appropriate fixed rate was used for these deterministic projections.

The fixed rate chosen reflected the term of the liabilities being valued.

CGNU-written reinsured-in business:

Main liabilities modelled with flat risk-free rate:

- Future profits on non-profit business
- Guaranteed annuity options
- Tax on shareholder transfers

Term of liabilities: 7-8 years

Risk free rate used: 4.66%

Annuity interest rate used: 4.5% (equal to the 8 into 15 year forward rate based on the full curve).

NUL&P written:

Main liabilities modelled with flat risk-free rate:

- Future transfers to shareholders (and tax on these)

Term of liabilities: 9-10 years

Risk free rate used: 4.68%

Form of probability distribution:

The lognormal model was assumed for the prices of all assets.

Derivation of Equity / Property volatility:

UK Equity

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Market implied volatility (that is the Black-Scholes solution to observed option pricing given risk free rates that maintain “put call parity” – essentially swap rates) has been derived from various investment banks and other sources.

Term	Source 1	Source 2	Source 3
1	12.54	12.51	12.4
2	14.50	14.28	14.2
3	15.55	15.32	15.2
4	16.27	16.15	15.5
5	16.78	16.81	16.3
7		17.73	16.3
10		18.65	17.6

Consistency of market pricing drops away as term increases.

The table below set out the resultant extrapolated volatility from this data.

Term	Source 1	Source 2	Source 3
10	17.4	18.6	18.0
15	17.5	19.4	18.4

None of the above has any clear theoretical advantage over the others.

We have chosen 18.25% because the rate is consistent with the output for the 10-15 year period.

Overseas Equity

A similar process applies.

Property volatility

There are no meaningful option prices so a best estimate approach is used. The best estimate is 15.0%.

Derivation of bond volatility:

1) Traded bonds (assumed to be 1/6 of the bond portfolio)

Gilts:

Implied market volatility from swaption pricing gives yield volatility of something just less than 15% as at 31/12/2004. This covers all fixed interest durations.

The table below shows swaption implied volatility for an option term of 1 year, swap maturity as shown (source values derived from data supplied by investment banks)

Swap maturity	Implied volatility
1	15.29
5	14.19
10	12.92
15	12.41
20	11.90
25	11.80

Our model requires a price volatility assumption. Here the above table is converted to price volatility, and on average used based on average duration of the liability.

We use a 5.0% assumption in the model which includes a small margin to allow for inevitable approximations involved in the above approach. The assumption is not material though due to the low weight of these assets.

Corporate Bond and Overseas Bond volatility

Separate asset classes are set up for corporate and overseas bonds. These have different correlations with the returns on UK gilts.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

There are spreads between swaps, corporate bonds, gilts and overseas bonds. These spreads move over time so one class of asset may be more or less volatile than the others.

Analysis of our own historic experience in this area has shown that in practice the price volatility levels are similar:

Asset class	Price volatility
Gilts	10.2
Corporates	9.1
Overseas	11.1

In view of the size and nature of the differences in observed historic volatility there does not seem to be strong evidence for assuming that future corporate bond volatility should be greater than that used for gilts. However, given the small proportion of assets involved we have used a 2% volatility margin over gilts to reflect the potential volatility in spread.

2) Non-traded bonds (held to maturity): assumed to be 5/6 of the fixed interest portfolio

We aim to allocate return from fixed interest to asset share according to the return earned on the stock of equivalent duration outstanding. For these bonds, if matching was perfect and if there were no future premiums to invest then the return earned and credited to asset share on the fixed interest from the valuation date to maturity date would be the redemption yield and intermediate volatility would have no impact. In practice return credited to asset share is likely to be based on bands of durations rather than an exact process. In view of these impacts non-zero price volatility is used as set out below.

In summary the price volatility assumptions are

	CGNU written	NUL&P written
Traded gilts	5.0%	5.0%
Traded non-gilts	7.0%	7.0%
Non traded	3.0%	2.5%

Correlation between different asset classes:

- Correlation between asset classes was taken from internal historic data. The table below shows the figures used at end 2004.

	UK Equity	Property	European Equity	US Equity	Japanese Equity	Pacific Equity	Emerging Mkt Equity	UK Gilts: Traded	Corp Bonds: Traded	Ov/S Bonds: Traded	Cash	Bonds: Not Traded
UK Equity	1.00	0.25	0.79	0.83	0.55	0.58	0.65	0.53	0.48	0.52	0.10	0.00
Property	0.25	1.00	0.22	0.05	0.55	0.11	0.15	0.07	0.03	-0.20	-0.33	0.00
Europe	0.79	0.22	1.00	0.91	0.48	0.55	0.58	0.37	0.28	0.69	-0.10	0.00
US	0.83	0.05	0.91	1.00	0.43	0.47	0.56	0.37	0.30	0.74	0.00	0.00
Japan	0.55	0.55	0.48	0.43	1.00	0.62	0.65	0.01	0.00	0.20	-0.17	0.00
Pacific Basin	0.58	0.11	0.55	0.47	0.62	1.00	0.87	0.25	0.37	0.53	0.00	0.00
Emerging Markets	0.65	0.15	0.58	0.56	0.65	0.87	1.00	0.08	0.16	0.47	0.18	0.00
UK govt bonds	0.53	0.07	0.37	0.37	0.01	0.25	0.08	1.00	0.97	0.50	0.11	0.00
Corporate Bonds	0.48	0.03	0.28	0.30	0.00	0.37	0.16	0.97	1.00	0.51	0.12	0.00
Global Bonds	0.52	-0.20	0.69	0.74	0.20	0.53	0.47	0.50	0.51	1.00	0.13	0.00
Cash	0.10	-0.33	-0.10	0.00	-0.17	0.00	0.18	0.11	0.12	0.13	1.00	0.00
Non-Traded Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00

Asset mix / EBR management:

The initial asset mix was equal to that assigned to the asset shares of the With-Profits funds as at 31/12/2004. 5/6ths of each fixed interest class was assumed to be non-traded. The resulting asset mix is shown below, together with the volatility parameters for each class:

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

NUL&P written

Class	% of asset share	Volatility parameter
UK Equity	28%	18.3%
Property	20%	15.0%
Europe	3%	19.8%
US	0%	19.2%
Japan	0%	19.7%
Pacific Basin	1%	19.7%
Emerging Markets	1%	19.7%
UK govt bonds	4%	5.0%
Corporate Bonds	3%	7.0%
Global Bonds	1%	7.0%
Cash	5%	0.0%
Non-Traded Bonds	35%	2.5%
Total	100%	

CGNU written

Class	% of asset share	Volatility parameter
UK Equity	43%	18.3%
Property	16%	15.0%
Europe	3%	19.8%
US	0%	19.2%
Japan	0%	19.7%
Pacific Basin	1%	19.7%
Emerging Markets	2%	19.7%
UK govt bonds	2%	5.0%
Corporate Bonds	2%	7.0%
Global Bonds	1%	7.0%
Cash	5%	0.0%
Non-Traded Bonds	24%	3.0%
Total	100%	

Management of the EBR within the stochastic return projector is discussed in more detail in 6.5.a.

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

6.4.(a)(iii) **Option prices from asset model**

ROW	Asset type	n	K= 0.75				K= 1				K= 1.5			
			5	15	25	35	5	15	25	35	5	15	25	35
		r	4.63%	4.68%	4.53%	4.40%	4.63%	4.68%	4.53%	4.40%	4.63%	4.68%	4.53%	4.40%
		D:												
1	Risk-free zero coupon bond		797,547	503,520	330,680	221,197	x	x	x	x	x	x	x	x
2	FTSE AllShare	1	49,685	135,334	195,416	244,069	161,347	275,366	348,440	409,269	538,863	646,032	727,183	794,371
3	FTSE AllShare	0.8	40,425	93,908	120,591	138,243	137,270	200,049	226,100	239,677	482,154	495,134	497,220	494,098
4	Property	1	34,215	95,744	145,233	186,563	134,285	225,616	287,410	339,588	524,846	596,905	660,794	714,783
5	Property	0.8	27,039	60,856	80,472	95,220	111,022	154,156	172,857	182,496	465,499	443,880	432,094	421,121
6	15 yr risk free ZCB	1	1,619	18,061	35,479	49,784	62,880	109,571	137,865	163,259	501,015	511,061	530,963	543,274
7	15 yr risk free ZCB	0.8	752	6,160	8,633	12,346	42,256	52,010	51,531	46,768	436,130	337,833	282,528	240,690
8	15 yr corporate	1	6,035	35,152	61,542	82,038	80,849	139,518	177,531	208,388	503,425	527,335	559,589	580,647
9	15 yr corporate	0.8	3,659	15,939	22,132	27,582	59,153	77,564	81,516	78,679	439,626	361,582	319,959	286,017
10	65% FTSE AllShare, 35% Property	1	28,691	87,173	134,420	172,526	126,533	213,017	271,421	322,501	517,175	584,423	643,171	696,537
11	65% FTSE AllShare, 35% Property	0.8	22,133	54,340	72,819	85,347	103,368	143,245	160,885	168,539	457,846	430,614	414,677	403,473
12	65% FTSE AllShare, 35% ZCB	1	24,490	78,710	122,917	157,932	119,813	202,709	258,704	306,207	514,690	575,508	632,864	679,193
13	65% FTSE AllShare, 35% ZCB	0.8	18,558	47,317	64,146	75,011	96,896	133,552	148,711	153,990	454,711	420,440	402,146	386,719
14	40% Eq, 15% prop, 22.5% ZCB, 22.5% corp	1	10,776	47,286	79,769	105,202	92,342	157,891	200,831	239,677	503,384	538,594	576,824	611,475
15	40% Eq, 15% prop, 22.5% ZCB, 22.5% corp	0.8	7,181	24,061	33,650	40,749	70,398	93,754	101,573	101,627	440,862	377,353	342,867	318,268
			L = 15				L = 20				L = 25			
16	Receiver swaptions		7.80%	8.28%	7.57%	6.98%	9.71%	10.16%	9.30%	8.80%	11.67%	12.12%	11.29%	10.39%

Notes on the table above:

Row 1 should be completed showing the value of cash payments of £1,000,000 due n years after the valuation date.

Rows 2 to 15 inclusive should be completed for the appropriate asset classes showing the value of a put option on a portfolio worth £1,000,000 on the valuation date exercisable n years after the valuation date with strike price of $K * £1,000,000 * (1+r*p)^n$.

All references to 15-year bonds mean rolling bonds traded to maintain the 15 year duration at all future dates. The corporate bonds should be assumed to be rolling AA rated zero coupon bonds.

Row 16 should be completed showing the value of sterling receiver swaptions with a strike of 5% exercisable n years after the valuation date with swap durations on exercise of L years. The values should be expressed as a percentage of nominal.

The property put options should be assumed to relate to a well diversified portfolio of UK commercial property.

A zero trend growth in property prices should be assumed where this is relevant.

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

In each case the options should be valued with reinvestment of any dividend income into the FTSE All Share index and reinvestment of any rental or other property income into UK property.

Tax should be ignored in all calculations.

All options should be assumed to be European-style.

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Commentary on the results:

This is a combined table for 6.4.a.iii and 6.4.b.iii.

Our maturity value and no-MVR guarantees that are priced through this process have a discounted mean term of around 8 years. Results produced for guarantees longer than 20 years are of less relevance.

For GAOs our model is calibrated to the discounted mean term of the GAO liability and the strike price of the GAOs (around 9%). The results produced by the model at 5% strike are not relevant to our valuation of GAO.

For the gilt portfolio pricing we are asked to base these results on a 15-year rebalancing portfolio. Our philosophy is to hold fixed-interest assets with duration matching to the discounted mean term of the liability (i.e. the portfolio shortens over time). Similar to the comments above, results produced incorporating a 15-year rebalancing rule have little practical relevance to the cost of our guarantees.

6.4.(a)(iv) Initial Equity and Property Rental Yields

Not applicable. The model assumes risk-neutral approach with drift of the total expected return equal to the risk free rate.

6.4.(a)(v) UK risk free rates are applied throughout.

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

6.4.(a)(vi) **Duration of significant guarantees**

The following tables show the durations of significant guarantees and promises for the with-profits funds. Duration is calculated as weighted average of projected maturity years with weights equal to the cost of guarantees.

NUL&P WP – Duration of guarantees

	Duration (yrs)	%																				
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021-2030	2031+		
Conventional Life																						
Base guarantee / smoothing	8.4	-	1	2	5	8	9	16	18	14	6	5	4	2	1	1	1	1	7	0	100	
Mortgage promise	8.6	0	1	2	3	3	6	12	16	16	12	11	10	6	1	1	0	0	1	0	100	
Conventional Pensions																						
Base guarantee / smoothing	9.4	4	4	5	6	6	6	7	7	6	6	6	5	5	5	4	4	3	10	0	100	
GAR option	7.2	9	8	9	9	8	7	6	7	6	5	4	4	3	3	2	2	2	6	0	100	
S32 GMP guarantee	11.7	2	2	3	3	4	4	5	6	6	6	6	6	6	7	6	6	5	18	0	100	
Unitised Life: Direct																						
Base guarantee	5.8	5	1	14	14	13	12	9	6	6	5	3	3	2	3	2	1	0	1	-	100	
Mortgage promise	13.0	0	0	1	1	2	2	2	3	6	6	3	3	6	21	17	4	6	15	0	100	
Unitised Pensions: Direct																						
Base guarantee	16.2	1	2	3	4	4	2	3	3	3	3	3	3	3	3	3	3	3	37	11	100	
Unitised: Reinsured																						
Base guarantee	5.3	10	18	4	3	3	15	33	1	1	1	2	4	1	0	0	0	0	2	-	100	

The reinsured figures above relate to the UWP business reassured in from CGNU Life.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004****6.4.(a)(vii) Nature of validations of asset model**

The model projects total return credited to asset share, not income and gains on assets. Therefore no explicit comparison of the NPV of the projection of income / gains has been made. Instead, the table below shows the discounted value of £1 invested on the valuation date and projected forward t years (t=5, 10, 15, 20). For a risk-neutral model, the result would be 1. The table shows how the results depend on the number of simulations used.

The final line shows the results based on using the actual distribution required by our matrix

t (years from valuation date)	5	10	15	20
100 Sims result	1.023	1.069	1.071	1.084
1000 Sims result	1.003	1.003	1.001	1.005
5000 Sims result	1.002	0.997	0.997	0.994
10000 Sims result	1.001	1.000	1.003	1.003
Distribution result	1.000	1.001	1.004	1.005

approach to the calculation of the costs of guarantees. This table implies that the number of simulations (as used by the model) is sufficient for convergence

Further validation involves comparing the results of the model with Black-Scholes prices.

The output of the matrix approach has been compared to that of the Black-Scholes pricing formula (given appropriate portfolio volatility levels). The output of the matrix approach will only do this when management action is not incorporated. A selection of the results is shown below:

ROW	r (Continuous)	n	K= 0.75				K= 1				K= 1.5			
			5	15	25	35	5	15	25	35	5	15	25	35
2	FTSE AllShare: matrix approach	1	49,685	135,334	195,416	244,069	161,347	275,366	348,440	409,269	538,863	646,032	727,183	794,371
2	FTSE AllShare: Black-Scholes valuation	1	49,486	135,468	196,844	245,756	161,679	276,219	351,790	410,694	541,600	647,420	728,897	795,260
	Difference / MV(0)		0.0%	0.0%	-0.1%	-0.2%	0.0%	-0.1%	-0.3%	-0.1%	-0.3%	-0.1%	-0.2%	-0.1%
4	Property: matrix approach	1	34,215	95,744	145,233	186,563	134,285	225,616	287,410	339,588	524,846	596,905	660,794	714,783
4	Property: Black-Scholes valuation	1	31,238	98,141	148,381	189,401	133,185	228,546	292,339	342,745	522,417	599,620	664,328	718,888
	Difference / MV(0)		0.3%	-0.2%	-0.3%	-0.3%	0.1%	-0.3%	-0.5%	-0.3%	0.2%	-0.3%	-0.4%	-0.4%
10	65% FTSE AllShare, 35% Property: matrix approach	1	28,691	87,173	134,420	172,526	126,533	213,017	271,421	322,501	517,175	584,423	643,171	696,537
10	65% FTSE AllShare, 35% Property: B-S valuation	1	26,667	88,136	135,130	173,787	125,383	215,386	275,794	323,680	518,020	587,178	646,980	697,991
	Difference / MV(0)		0.2%	-0.1%	-0.1%	-0.1%	0.1%	-0.2%	-0.4%	-0.1%	-0.1%	-0.3%	-0.4%	-0.1%

The table above shows that the model is capable of producing Black-Scholes prices. The table also implies that the number of simulations used and the width of the banding within the matrix approach do not distort the results.

	Put Option Price	Parameter – risk free rate	Parameter - volatility
Market Price	9.27	4.97%	16.8%
(1) adjust RFR	9.92	4.63%	16.8%
(2) adjust Volatility	10.96	4.63%	18.3%
NU Asset Model Price	10.96	4.63%	18.3%

The table above shows the actual market price and the price generated using our asset model (for a 5-year put option). As demonstrated above, the model produces a higher price (18.3%) for this specimen contract because:

- We make a credit risk adjustment relative to the risk free rate that maintains put/call parity.
- We calibrate volatility to around 12 years rather than 5.

viii) 10,000 projections of asset share returns have been made to construct the probability distribution used to value the guarantees.

6.4.(b) Market costs of hedging - Description of guarantees, options or smoothing

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

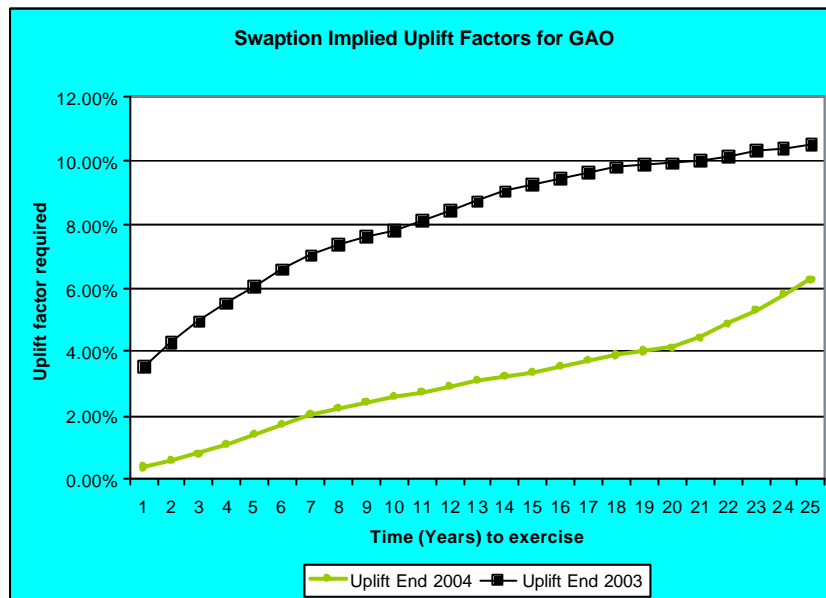
The approach used to value Guaranteed Annuity Options on conventional pensions increases the deterministic (intrinsic cost) of the option to allow for the limited option value. The increase is based on the implied option value of swaptions with similar characteristics to the liabilities.

Valuation of the GAO is based on the intrinsic value (i.e. the value implied from the forward risk-free rate curve) plus an uplift for option value (that is the value derived as the policyholder has an option not to take the GAO).

The option not to take the GAO is only worth something when interest rates rise to such an extent that the open market option could purchase a larger annuity stream. This requires interest rates to be in excess of 8% or 9%.

Revision to the uplift factors has been considered at the end of 2004 to reflect the current option value of swaptions with similar characteristics.

The graphic below illustrates the uplift factors implied by swaptions at end 2003 and end 2004.



The graph implies that option value has decreased over the year; this is consistent with the observed fall in the swap curve.

In practice the uplift factor has been set at 10% at all points (15% for Section 32 Guaranteed Minimum Pension liabilities).

NUL&P With Profits fund: 31/12/2004

Guaranteed Annuity Option cost (recorded as cost of Financial Options):

This represents the cost of the guaranteed annuity option (GAO) attaching to conventional deferred cash pensions. Contracts provide for a basic cash amount plus accrued regular bonus and a final bonus. The policyholder then has the option to take this cash amount or to convert this into income at guaranteed rates written into the policy conditions.

Cost of GMP guarantee on Section 32 policies (recorded as a cost of guarantee):

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

This represents the cost of providing for guaranteed minimum pensions for Section 32 contracts.

Cost of annuity rate guarantees	£m
Base GAO cost	707.7
Uplift (10%)	70.8
Expense reserve	28.6
Total	807.1
Base cost of GMP gtee on S32	476.9
Uplift (15%)	71.5
Total	548.5

The duration of all guarantees is shown in the table given in 6.4.a.vi (where significant).

6.4.(c) Deterministic projections - Description of guarantees, options or smoothing

No guarantees, options or smoothing costs have been valued using this method.

6.5. Management Actions

6.5.(a) There are various allowances and limitations for management actions in the stochastic model. Details of the key decisions are set out below.

Projected Equity Backing Ratio

Management is assumed to intervene and carry out switches (in addition to any impact from market movements) of investments supporting asset shares when investment returns are particularly strong or weak.

The logic for this is that the main aim of investment policy is to provide the highest long-term returns given acceptable levels of solvency risk.

A substantial amount of our fixed interest portfolio is intended to be held to maturity. Therefore investment performance above or below expectation is largely a function of simulated performance for equity and property.

If equity/property performance is poor, then solvency would deteriorate, hence management action would be to reduce the equity/property. The converse is also true; however, increasing the EBR within the simulation is constrained to the extent that there are bonds held for trading to sell.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

The table below sets out the EBR movement due to switching to apply within the simulation, based on the cumulative annualised return for the fund from the start of the simulation. Given the sizes of the fund the maximum switches are limited to 5%.

Lower Bound	Upper Bound	EBR movement
18.0%	(>18%)	5.0%
17.0%	18.0%	5.0%
16.0%	17.0%	5.0%
15.0%	16.0%	5.0%
14.0%	15.0%	5.0%
13.0%	14.0%	5.0%
12.0%	13.0%	4.0%
11.0%	12.0%	4.0%
10.0%	11.0%	4.0%
9.0%	10.0%	3.0%
8.0%	9.0%	3.0%
7.0%	8.0%	3.0%
6.0%	7.0%	2.0%
5.0%	6.0%	0.0%
4.0%	5.0%	0.0%
3.0%	4.0%	-1.0%
2.0%	3.0%	-2.0%
1.0%	2.0%	-3.0%
0.0%	1.0%	-4.0%
-1.0%	0.0%	-4.0%
-2.0%	-1.0%	-4.0%
-3.0%	-2.0%	-5.0%
-4.0%	-3.0%	-5.0%
-5.0%	-4.0%	-5.0%
-6.0%	-5.0%	-5.0%
(<-6%)	-6.0%	-5.0%

Maximum Cuts in payout

The model assumes bonus is reviewed annually (in practice reviewed at least semi-annually). Final bonus is set to deliver target payout ratio subject to change of no more than 15% in payout compared to equivalent policy maturing 1 year earlier. Annual bonus is pre-determined at outset to deliver sufficient final bonus margin, subject to gradual reduction to this level by limiting annual change by (generally) no more than 1%.

Target level of payout

Prospective individual payout targets at maturity are set at 99% of asset share. This results in a small but positive impact on the estate from future smoothing policy.

Regular Bonus Assumptions

In reality regular bonus rates would alter depending on achieved and prospective investment returns (as well as statutory solvency). The model used at present does not use dynamic bonus rates.

CWP regular bonus

Business	Declared 31/12/2004		Declared 31/12/2005 +	
	SA	Bonus	SA	Bonus
NUL&P Endowments	0.0	0.5	0.0	0.5
NUL&P Pensions	0.0	0.0	0.0	0.0

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

Unitised regular bonus

Business	Applying 2005	Applying 2006	Applying 2007+
CGNU explicit Bond	4.25	4.25	4.25
CGNU explicit Pension	4.0	4.0	4.0
CGNU implicit Bond (pre 94 units)	3.0	3.0	3.0
CGNU implicit Bond (post 94 units on pre 98 policies)	2.5	2.5	2.5
CGNU implicit Bond (post 98 policies)	2.0	1.5	1.5
CGNU implicit Pension	3.0	2.0	2.0
NUL&P Bond	2.0	1.25	0.5
NUL&P Pensions	3.0	1.5	0.75

Rates broadly assume that bonus rates are reduced to levels that allow suitable final bonus margins to emerge.

Guarantee Charges on asset shares

The model uses the current 0.75% guarantee charge on asset shares for NUL&P WP direct written business with no charge on CGNU Life written business. Under the stress scenarios any change in guarantee charge is assumed to take effect from the valuation date.

Allocation of non-profit profits to asset share

It is assumed that future non-profit profits are allocated to asset shares in line with the current rates. That is:

- 0% p.a. for all CGNU Life business written from 1st October 2000
- 0% p.a. for NUL&P written business

Shareholder Transfers and tax

The model assumes that transfers to shareholders continue at the rate of 10% of the cost of bonus.

It is assumed that only the tax on Shareholder transfers will be charged to the estate for CGNU Life written business. The shareholder transfers themselves will be charged to asset share.

Shareholder transfers and any additional tax due in NUL&P WP are charged to the estate.

Mortality costs

Mortality profits and losses are passed on to the asset shares in line with the PPFM. For implicit-charge business, the deduction made is sum at risk times actual proportion of deaths. The sum at risk is death benefit less asset share. The actual proportion is a proportion that varies by year of a standard mortality table. Explicit charge UWP business and implicit charge UWP business sold from 1st October 2001 deducts the actual policy charges made from the asset share.

Surrender costs*Conventional Business*

Surrender profits and losses in the model are recycled to asset shares for business written by CGNU Life. Surrender profits and losses in the model accrue to the estate for business written by NUL&P WP.

UWP Business

Surrender profits and losses in the model are recycled to asset shares for business written by CGNU Life

For NUL&P WP surrender profits and losses accrue to the estate.

6.5.(b) Best estimate of future proportions of assets backing the WPBR.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

- The projection allows for future EBR management action as discussed earlier in this document. The results reflect an average of the simulated positions.
- Regular bonus rates quoted are those that have been assumed in the production of the central set of results for Form 19 (not for the stress tests). Assumptions about regular bonus in the stress tests are quoted elsewhere in this document.

6.5.(b)(i) Projection at risk free rate**NUL&P With Profits Fund***UWP Bonus Rates*

Product	31 December 2004	31 December 2009	31 December 2014
UWP Life (Direct Written):	2.50%	0.50%	0.50%
UWP Pensions (Direct Written):	3.00%	0.75%	0.75%
Reinsured business (from CGNU Life):			
UWP Life (Implicitly charged): Units purchased on policies written pre 1/10/1998	2.50%	2.50%	2.50%
UWP Life (Implicitly charged): Units purchased on policies written post 30/09/1998	2.00%	1.50%	1.50%
UWP Life (Explicitly charged):	4.25%	4.25%	4.25%
UWP Pensions (Implicitly charged):	3.00%	2.00%	2.00%
UWP Pensions (Explicitly charged):	4.00%	3.00%	3.00%
UWP Pensions (Stakeholder):	3.50%	2.50%	2.50%

Further notes on bonus rates:

Direct written business:

- Units purchased before 1/1/1999 on Life policies written before 1/1/1995 have a guaranteed regular bonus rate of 2.5%.
- Units purchased before 1/1/1999 on Pensions policies written before 1/1/1995 have a guaranteed regular bonus rate of 4% pa.

Reinsured business from CGNU Life:

- Units purchased on Life policies before 1/2/1994 have either
 - a guaranteed regular bonus rate of 3% pa
 - a guaranteed addition to regular bonus of 0.5% pa. Most policyholders fall into this second category.
- Units purchased on Pensions policies before 22/1/1996 have a guaranteed regular bonus rate of 4% pa.
- Policyholders in the Income-based Life products receive additional regular bonus (amount depends on entry-year).

Assets Backing With-Profit Benefits Reserve

Asset class	31 Dec 2004	31 Dec 2004	31 Dec 2009	31 Dec 2014
UK equities	7,605	37.4%	33.4%	29.4%
Overseas equities	1,077	5.3%	4.7%	4.2%
Land and buildings	2,909	14.0%	12.6%	10.9%
Approved fixed interest securities	5,905	28.3%	32.2%	36.3%
Other fixed interest securities	2,665	12.6%	14.4%	16.2%
All other assets	517	2.4%	2.7%	3.1%
Total assets	20,678	100.0%	100.0%	100.0%
EBR		56.6%	50.7%	44.4%

6.5.(b)(ii) Projection at risk free rate plus 17.5%**NUL&P With Profits Fund**

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004***Assets Backing With-Profit Benefits Reserve*

Asset class	31 Dec 2004	31 Dec 2004	31 Dec 2009	31 Dec 2014
UK equities	7,605	37.4%	34.6%	31.8%
Overseas equities	1,077	5.3%	4.9%	4.5%
Land and buildings	2,909	14.0%	13.1%	12.0%
Approved fixed interest securities	5,905	28.3%	31.0%	33.8%
Other fixed interest securities	2,665	12.6%	13.8%	15.1%
All other assets	517	2.4%	2.6%	2.9%
Total assets	20,678	100.0%	100.0%	100.0%
EBR		56.6%	52.5%	48.2%

6.6. Persistency and Mortality Assumptions

The lapse rates assumed in the projection of the asset shares and guaranteed benefits are based on own experience adjusted for anticipated trends.

CGNU Life – Lapse Rates		Policy Year												
Product Class		0	1	2	3	4	5	6	7	8	9	10	11	12+
UWP Life Portfolio Bond no		1	1.5	2	3	4	16	7	7	7	7	75	7	7
UWP Life Mortgage		8	10	12	12	12	12	12	12	12	12	12	12	12
UWP Pensions (inc stjhldr)	Lapses	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
UWP Stakeholder	PUP	10	10	10	10	10	10	10	10	10	10	10	10	10
UWP Pensions (excl	PUP	13	13	13	13	13	13	13	13	13	13	13	13	13
UWP Pension Bonds		2	2	2	4	6	30	20	10	10	10	10	10	10

NUL&P lapse rates	All durations
Conventional Life	3.25%
Unitised Life	5.50%
Conventional Pensions	2.00%
Conventional Pensions (S32)	0.50%
Unitised Pensions	0.00%

At no-MVR date:

Assume 75% lapses at the first no-MVR date and 25% on the second.

NULAP UWP Pensions cases with a no-MVR guarantee in force: assume that policyholders take the benefit evenly over the next five years.

Automatic partial withdrawals on bonds have no MVRs applied (subject to certain limits). The assumed Automatic Partial Withdrawal rates are 1.5% pa for CGNU Life written business and 1.75% pa for NULAP. A higher rate of 4% is assumed for the Life Income funds in CGNU Life.

Mortality Assumptions

Mortality assumptions for the Realistic Balance sheet are generally best-estimate assumptions. The key exceptions are the assumptions used for the valuation of the NUL&P WP fund GAO and Section 32 GMP costs which use valuation assumptions.

Unitised With-Profit Mortality

Unitised pensions and life bonds - 80% AM80 Sel 2 / AF80 Sel 2

Unitised mortgage endowments based on percentages of AM80 Sel 2 / AF80 Sel 2

Conventional Assurance Mortality

NUL&P WP endowments - 55% A67/70

Conventional Pensions

In deferment – 45% A67/70

In payment – see annuitant mortality.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004****Annuitant Mortality**

For all immediate annuities and deferred annuities in payment we use assumptions based on standard tables pma80, pfa80, im80, and if80. These tables have been substantially altered to reflect our experience with a considerable reduction to table mortality.

The proportions of the amended tables used for Regulatory valuation and best-estimate assumptions are as follows:

	Regulatory Valuation	Best-estimate
Males	81%	86%
Females	98%	103%

For the realistic balance sheet, NUL&P WP uses the Regulatory valuation assumptions.

Guaranteed Annuity Option take-up rate

The following proportions of policyholders are assumed to take the GAO options attaching to their pensions. A fixed take up rate is assumed irrespective of how in the money the option is.

Fund	Take-up
NUL&P WP	90%

Date of maturity: Selected Retirement Age.

Section 32 Guaranteed Minimum Pension take-up rates

Assume:

- 100% takeup at (GMP) State Pension Age
- 0.5% lapses prior to this date.

6.7. Policyholder Actions

Policyholder actions are primarily covered by the static persistency and GAO take-up rates in the previous section. There is no dynamic linking of these decisions relative to the value of the options under each particular scenario.

Financing Costs

7. There are no financing costs.

Other long-term insurance liabilities

8.

NUL&P WP @31/12/2004

Product Class	Any other liabilities related to treating customers fairly	Any other long-term insurance liabilities
Conventional Life	0	240
Conventional Pensions	0	150
UWP Life	0	0
UWP Pensions	0	0
Reinsured in UWP Life	0	3
Reinsured in UWP Pensions	0	1
Reinsured in UWP Stakeholder	0	0
Miscellaneous	0	122
Total	0	516

Any other liabilities related to treating customers fairly

No liability is held in respect of any other liabilities related to treating customers fairly.

Any other long-term insurance liabilities

Shareholder transfers and the additional tax due on shareholder transfers are not chargeable to NUL&P WP asset shares as set out in the demutualisation scheme. £390m is held in respect of these liabilities to the estate. £4m is held in respect of the tax on shareholder transfers not chargeable to asset shares for reinsured in UWP business from CGNU Life.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

The following liabilities are held under the miscellaneous category.

£24m is held in respect of future pension transfer review costs.

£2m is held in respect of the funding for the Aviva staff pension scheme deficit.

£31m is included for the cost of investigation and redress of mortgage endowment mis-selling complaints.

A reserve of £20m is held to cover future development expenses and audit/regulatory fees.

A credit of £19m is held in respect of the difference between the present value of charges to be deducted from reinsured-in UWP asset shares on a charges basis versus the future renewal expenses charged to the fund. This credit implicitly includes an allowance for the recovery of initial expenses already incurred on this business.

An additional liability of £50m is held as a contingency.

A reserve of £14m is held in respect of IBNR death claims and miscellaneous options attaching to NUL&P policies.

Realistic current liabilities

9.

The realistic current liabilities include the following:

- Provisions for deferred taxation
- Provisions for inter company transfers from internal reinsurance
- Outstanding Claims
- Other creditors
- Accruals and deferred income
- Unrealised Capital Gains tax provision

The realistic current liabilities at 31st December 2004 are £507m. The Regulatory and realistic balance sheet current liabilities are the same.

Risk Capital Margin

10.(a)

Fund	RCM (£m)
NUL&P WP	1,018

10.(a)(i)

Changes in asset values under stress scenarios for equities and real estate (property)

Asset Class	Fall in market values
UK Equities	20%
OS Equities	22.5%
Property	12.5%

The overseas equity fall is set such that it has the same probability as UK equities falling 20%.

The fall in market values of equity and property is more onerous than the rise in market values. This is because of the knock-on increase in guarantee costs and the estates being partially invested in equities and property.

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

10.(a)(ii)

Asset Class	Rise in FI yields	Fall in FI yields
Nominal change in yields	+80bps	-80bps
long-term yield – level post-stress	5.48%	3.88%
long-term yield - % movement post-stress	+17.5%	-17.5%

The fall in fixed-interest yield scenarios are more onerous.

10.(a)(iii)

Fund	Average Increase in credit spread	Change in FI asset value
NUL&P WP	0.24%	-2.54%

The average increase in credit spread is weighted by current market value of fixed interest.

The change in FI asset values is from the increase in credit spreads from the credit-risk test.

The swaptions in NUL&P WP have been stressed under the RCM calculation to allow for both credit risk and counter-party risk. In allowing for credit risk it is assumed that swaps are no riskier than AAA rated bonds. The movement in swaption value is based on movements of fixed interest of similar term and credit rating.

Swaption change in MV from credit risk = -9.9%

Our swaptions are fully collateralised, so there is no counter-party default risk before any market movements. However if the swaption value rises there is a risk that the counter-party defaults before it injects the required capital. Default risk is based on the credit rating of the counter-parties. The market value fall is the fall in swaption value from the credit risk test multiplied by the appropriate % fall in market value for each credit rating.

Swaption change in MV from counter-party risk = -2.3% (fall in yields scenario)
0% (increase in yields scenario)

10.(a)(iv)

For the persistency test a 32.5% decrease in lapse rates is tested as this increases the fund's exposure to maturity guarantees.

p.a.% reduction in average lapse rate = 0.8%
% increase in realistic liabilities = 0.3%

10.(a)(v) Not applicable

10.(b) **Management Actions under the stress tests**

The following changes in management actions are assumed to be made under the stress tests.

Guarantee Charges

Under the stress tests the guarantee charges will be assumed to change to:

- 1% for all direct-written NUL&P WP business
- 0% for CGNU UWP new business sold from 1/1/2002, and 0.5% otherwise

Change in asset mix

Under the stress tests it is assumed that management would change the asset mix of the fund in line with the same investment management rules governing the projection of assets in the stochastic model.

Cuts in payouts

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

It is assumed that management would make additional cuts in payout where the payouts implied from the movements in asset shares under the stress tests exceeded the 15% maximum cut assumed in the central basis. Any cuts in excess of the 15% would assumed to be made over the two six-monthly bonus declarations following the valuation date with the same percentage cut in each.

It is assumed that the long-term payout target as a percentage of asset share would be such that the smoothing cost was neutral allowing for costs incurred to the valuation date. Under the stress scenario the target payout percentage drops from 99% to 97.5% for NUL&P direct written business.

Regular Bonuses

Following the asset value falls under the stress test, a 1% reduction in UWP annual bonus is assumed to better maintain final bonus margins. All future conventional regular bonus rates other than the with-profit immediate annuities are assumed to be zero. The with-profit immediate annuity bonus rates are assumed to reduce such that the bonus reserve valuation for the business is unchanged under the stress test.

Business	Applying 2005	Applying 2006	Applying 2007+
CGNU explicit Bond	4.25	3.25	3.25
CGNU explicit Pension	4.0	3.0	3.0
CGNU implicit Bond	2.0	1.0	0.5
CGNU implicit Pension	3.0	2.0	1.0
NUL&P Bond	2.0	1.0	0.0
NUL&P Pensions	3.0	1.5	0.0
All conventional business	As central scenario	0.0	0.0

10.(c)(i) The assets backing the risk capital margin are set out in the following table.

Assets backing RCM	£m	%
UK equities	0	0%
Overseas equities	6	1%
Land and buildings	0	0%
Approved fixed interest securities	701	69%
Other fixed interest securities	312	31%
All other assets	0	0%
Total	1,018	100%

10.(c)(ii) All assets backing the RCM are within the with-profit fund.

Tax**11.(i) Tax treatment in the with-profits benefit reserves**

Asset shares are credited with net of tax investment returns allowing for actual tax rates.

For 2004 the tax rates are:

Income Tax	20%
Franked Income Tax	0%
Withholding Tax	15%

Returns under the Accounts and Statements Rules

Abstract of valuation report for realistic valuation – IPRU (INS) Appendix 9.4(a)

Name of insurer **Norwich Union Life & Pensions Limited – With-Profit Fund**

Global business

Financial year ended **31 December 2004**

11.(ii) Tax treatment in future policy related liabilities

Current tax rates are assumed to continue in the future for all projections.

Corporation Tax	30%
Income Tax	20%
Franked Income Tax	0%
Withholding Tax	15%

Turnover Rates (for CGT calculation) as for the EV assumptions:

UK Equity	20%
Overseas Equity	40%
Property	12.5%
CGT indexation	1.85% (2/3rds of the RPI assumption)

Average BLAGAB tax rate applying to asset shares:

CGNU Life written	12.17%
NUL&P WP written	15.11%

Average tax rate applying to non-profit liabilities = 20% assuming all backed by fixed-interest.

11.(iii) Tax treatment in the realistic current liabilities

The realistic and regulatory current liabilities are equal, hence the treatment of deferred tax liabilities is the same.

Derivatives

12.

Security	Value at 31/12/2004 (£m)
Equity futures	-617
Other futures	-182
Swaps	-2
Swaptions	59

The exposure to futures is part of the company's portfolio management strategy.

The exposure to swaptions in NUL&P WP is a partial hedge of the company's Guaranteed Annuity Option liability. It is expected that these will be unwound as the liabilities fall due.

Analysis of working capital

13. This is the first valuation under the PSB. Analysis of working capital will follow for future valuations.

Optional Disclosure

14. The split and determination of what is classified as contractual and non-contractual obligations are covered in section 6.

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 2004**

		Company registration number		GL/UK/CM	Period ended			Units	UK/OS	NL/LN
		R46	3253947		GL	31	12			
		Life assurance and general annuity		Pensions business		Permanent health		Other business		
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8	
In force at beginning of year	11	2343663	461515	1000862	156779	552841	76322	3280	1320	
New business and increases	12	282538	27308	26408	6933	136940	32187		6	
Net transfers and other alterations 'on'	13	965	53218	10540	13825	378	622	1	34	
Total 'on' (12+13)	19	283503	80526	36948	20758	137318	32809	1	40	
Deaths	21	11525	2165	3386	269	230	117	15	5	
Other insured events	22	508	206			708	272			
Maturities	23	49360	18726	15406	2678	63	18			
Surrenders	24	43686	12879	7028	1862	33	41	302	144	
Forfeitures	25	124958	21787	1831	403	70890	18993			
Conversions to paid-up policies for reduced benefits	26		676		15120		17		1	
Net transfers, expiries and other alterations 'off'	27	12425	40303	12862	8710	1394	412	4	9	
Total 'off' (21 to 27)	29	242462	96742	40513	29042	73318	19870	321	159	
In force at end of year (11+19-29)	39	2384704	445299	997297	148495	616841	89261	2960	1201	

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Linked

Financial year ended **31st December 2004**

		Company registration number		GL/UK/CM	Period ended			Units	UK/OS	NL/LN
		R46	3253947		GL	31	12			
		Life assurance and general annuity		Pensions business		Permanent health		Other business		
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8	
In force at beginning of year	11	214371	33807	463525	308980			1715	583	
New business and increases	12	41050	252	112282	138667				3	
Net transfers and other alterations 'on'	13	175	421	10348	5942				5	
Total 'on' (12+13)	19	41225	673	122630	144609				8	
Deaths	21	2403	89	618	261			3		
Other insured events	22	37	22							
Maturities	23	883	478	2881	554					
Surrenders	24	10435	2778	4837	1714			190	76	
Forfeitures	25	7	4		453					
Conversions to paid-up policies for reduced benefits	26	1	350	(1)	57874				1	
Net transfers, expiries and other alterations 'off'	27	1210	2484	23695	7952			1	11	
Total 'off' (21 to 27)	29	14976	6205	32030	68808			194	88	
In force at end of year (11+19-29)	39	240620	28275	554125	384781			1521	503	

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Non-linked

Financial year ended **31st December 2004**

		Company registration number		GL/UK/CM	Period ended			Units	UK/OS	NL/LN
		R46	3253947		GL	day	month			
		Life assurance and general annuity		Pensions business		Permanent health		Other business		
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8	
In force at beginning of year	11	172583	43266			7540	999			
New business and increases	12	31565	5877			1673	186			
Net transfers and other alterations 'on'	13	55731	17861			63	3			
Total 'on' (12+13)	19	87296	23738			1736	189			
Deaths	21	896	527			3				
Other insured events	22	1612	2			9	1			
Maturities	23	999	778			2				
Surrenders	24	3150	1089							
Forfeitures	25	5630	1188			842	64			
Conversions to paid-up policies for reduced benefits	26		1932							
Net transfers, expiries and other alterations 'off'	27	6751	9101							
Total 'off' (21 to 27)	29	19038	14617			856	65			
In force at end of year (11+19-29)	39	240841	52387			8420	1123			

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Linked

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units	UK/OS	NL/LN	
			day	month	year				
	R46	3253947	GL	31	12	2004	£000	OS	LN
	Life assurance and general annuity		Pensions business		Permanent health		Other business		
	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
	1	2	3	4	5	6	7	8	
In force at beginning of year	11	5863	7961						
New business and increases	12	2027	4986						
Net transfers and other alterations 'on'	13	689	1102						
Total 'on' (12+13)	19	2716	6088						
Deaths	21	10	3						
Other insured events	22								
Maturities	23	28	4						
Surrenders	24	104	79						
Forfeitures	25	4	1076						
Conversions to paid-up policies for reduced benefits	26		2132						
Net transfers, expiries and other alterations 'off'	27	782	568						
Total 'off' (21 to 27)	29	928	3862						
In force at end of year (11+19-29)	39	7651	10187						

Long term insurance business : Summary of changes in industrial assurance businessName of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

		Company registration number	Period ended			Units	UK/NI	
			day	month	year			
		R46A	3253947	31	12	2004	£000	UK
		Paying				Paid up		
		No of policies		Annual premiums		No of policies		
		1	2	3				
In force at beginning of year		11	2					
Taken up during year	Weekly business	12						
	Monthly business	13						
Converted to paid-up policies during year		14						
Total 'on'		19						
Discontinued during year by	Deaths	21						
	Maturities	22						
	Surrenders for cash	23						
	Terminations by return of premiums	24						
	Conversions to paid-up policies for full sums assured	25						
	Conversions to paid-up policies for reduced sums assured	26						
	Forfeitures without grant of paid-up policy or cash surrender	27						
Total 'off'		29						
In force at end of year		31						

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
UK DIRECT WRITTEN INSURANCE BUSINESS						
Life Assurance & General Annuity Insurance Business						
Accumulating With-Profits Policies						
Whole Life Insurance	2	148		1	64	
Whole Life Assurance (Increments)		142			78	
Endowment Insurance				40	40	
Sub total: Accumulating With-Profits Policies	2	290		41	182	
Non-Linked Non-Profit Policies						
Term Assurance	9	4	161	5	30	3211
Term Assurance (Increments)						3371
Immediate annuity	47	330	22 pa			
L&E Creditor(Group Life)-SP	4	882	1026305			
L&E Creditor(Group Life)-RSP		15740	708284			
NU Creditor(Group Life)-SP	7	30224	2990169			
NU Creditor(Group Life)-RSP	2	37094				
Sub total: Non-Linked Non-Profit Policies	69	84274	4724919 22 pa	5	30	6582
Other Linked Contracts						
Whole Life Assurance	2	30			96	

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

Type of insurance	Single premium contracts			Regular premium contracts			Units
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit	
1	2	3	4	5	6	7	
Whole Life Assurance (Increments)		783			114		
Endowment Insurance				40	33		
Endowment Insurance (Increments)					3		
Sub total: Other Linked Contracts	2	813		40	246		
Total: Life Assurance & General Annuity Insurance Business	73	85377	4724919 22 pa	86	458		6582

Company
registration
number

GL/UK/CM

Period ended

day month year

R47

3253947

GL

31

12

2004

£000

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Pension Insurance Business						
Accumulating With-Profits Policies						
Pure Endowment Insurance	30	964		8	350	
Pure Endowment Insurance (Increments)		20200				
Group Pure Endowment Insurance	117	109753		757	2054	
Group Pure Endowment Insurance (Increments)		17529			1090	
Personal Pension 98 Series	4	2573		8	9	
Personal Pension 98 Series (Increments)		911			387	
Personal Pension (GPPP)	1	274		197	1167	
Personal Pension (GPPP Increments)		525				
Personal Pension 98 series (GPPP)	33	2078		702	694	
Personal Pension 98 series (GPPP Increments)		955			1145	
NU GPPP 2000 Series	6	88		16	35	
NU GPPP 2000 Series (Increments)		21			74	
Sub total: Accumulating With-Profits Policies	191	155871		1688	7005	
Non-Linked With-Profits Policies						
Pure Endowment Insurance	309	5581	7562	49	462	6390
Pure Endowment Insurance (Increments)		1791	2413		88	1586
Deferred Annuity		12	1 pa	2	4	12 pa

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Deferred Annuity (Increments) With Profit Annuity Group Pure Endowment Insurance	119	100 6695 10	12 pa 417 pa 10		216	5 pa 658
Sub total: Non-Linked With-Profits Policies	428	14189	9985 430 pa	51	770	8634 17 pa
Non-Linked Non-Profit Policies						
Pure Endowment Insurance	13	348	338			8
Pure Endowment Insurance (Increments)		25	26			3
Term Insurance				6	9	2658
Group temporary Insurance					3	2178
Deferred Annuity						29 pa
Annuity In Payment	22390	684033	37626 pa			
Annuity In Payment (Increments)		2852	127 pa			
Reversionary Annuity					2	22 pa
Group Life				747	18726	17716852
Sub total: Non-Linked Non-Profit Policies	22403	687258	364 37753 pa	753	18740	17721699 51 pa
Index Linked Contracts						
Annuity in Payment	340	15491	542 pa			

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Annuity in Payment (Increments)		101				
Sub total: Index Linked Contracts	340	15592	542 pa			
Other Linked Contracts						
Pure Endowment Insurance	8	1610		2	238	
Pure Endowment Insurance (Increments)		17143			12	
Group Pure Endowment Insurance	28	28588		306	1397	
Group Pure Endowment Insurance (Increments)		23011			359	
Personal Pension 98 Series	8	8088		10	2	
Personal Pension 98 Series (Increments)		4860			1256	
Personal Pension (GPPP)		628		748	2132	
Personal Pension (GPPP Increments)		649				
Personal Pension 98 Series (GPPP)	314	8533		2807	4323	
Personal Pension 98 Series (GPPP Increments)		4291			4007	
NU GPPP 2000 Series	57	634		149	433	
NU GPPP 2000 Series (Increments)		350			593	
Sub total: Other Linked Contracts	415	98385		4022	14752	
Total: Pension Insurance Business	23777	971295	10349 38725 pa	6514	41267	17730333 68 pa

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Permanent Health Insurance Business						
Non-Linked Non-Profit Policies						
Permanent Health Assurance				23436	6040	208384
Group Permanent Health assurance				282	4623	426803
L&E Creditor Life (Group Disability) - SP		49196	151274			
NU Creditor Life (Group Disability) - SP		9508	45002			
Long Term Care Future Assured	196	3246		274	351	
Sub total: Non-Linked Non-Profit Policies	196	61950	196276	23992	11014	635187
Total: Permanent Health Insurance Business	196	61950	196276	23992	11014	635187

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Other Insurance Business						
Accumulating With-Profits Policies						
ISA's					6	
ISA's (Increments)		14				
Sub total: Accumulating With-Profits Policies		14			6	
Other Linked Contracts						
ISA's					3	
ISA's (Increments)		7				
Sub total: Other Linked Contracts		7			3	
Total: Other Insurance Business		21			9	
Total: UK Direct Written Insurance Business	24046	1118643	4931544 38747 pa	30592	52748	18372102 68 pa

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
UK REINSURANCE ACCEPTED						
Life Assurance & General Annuity Insurance Business						
Accumulating With-Profits Policies						
NU Bond Level		2	2			
NU Bond Step Down		435	435			
NU Flexibond additional		12	12			
Sub total: Accumulating With-Profits Policies		449	449			
Non-Linked Non-Profit Policies						
Term Level				121092	10879	1958716
Term Decreasing				161342	16217	2431024
Sub total: Non-Linked Non-Profit Policies				282434	27096	4389740
Other Linked Contracts						
NU Bond	2	2355	3030			
NU Bond Level	21245	548090	548090			
NU Bond Step Down	19696	913655	913655			
NU Flexibond	1	140	140			
NU Flexibond additional		719	719			
NU Homemaker Plus				14	6	478
NU Flexibond (LTC)	50					

Long term insurance business : Analysis of new ordinary long term businessName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Sub total: Other Linked Contracts	40994	1464959	1465634	14	6	478
Total: Life Assurance & General Annuity Insurance Business	40994	1465408	1466083	282448	27102	4390218

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

Type of insurance	Single premium contracts			Regular premium contracts			Units
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit	
1	2	3	4	5	6	7	
Pension Insurance Business							
Accumulating With-Profits Policies							
NU Personal Pension Scheme		4	4		27		
NU Personal Pension Scheme Additional		10	10				
NU Your Pension	274	212	212	1921	298	298	
NU Your Pension Additional		791	791				
NU Your Pension Select	16	7	7	99	10		
NU Your Pension Select Additional		28	28				
NU Optimiser Personal Pension		5	5		6		
NU Optimiser Personal Pension Additional		52	52				
NU Executive & Directors Personal Pension		156	156		20		
NU Free Standing AVC Plan		1	1				
NU Free Standing AVC Plan Additional		1	1				
NU Personal Transfer Plan		171	171				
NU Self Invested Personal Pension		3	3				
NU Self Invested Personal Pension Additional		26	26				
NU Group Pension Investment Bond		17	17				
NU Designer Personal Pension	91	253	253	28	266		
NU Designer Personal Pension Additional		317	317				
Stakeholder NU Your Pension	7	185	185	31	509		

Company
registration
number

GL/UK/CM

Period ended

day month year

R47

3253947

GL

31

12

2004

£000

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Stakeholder NU Your Pension Additional		4454	4454			
NU Your Pension Select (Post 6/4/01)	6	107	107	17	167	
NU Your Pension Select (Post 6/4/01) Additional		1106	1106			
Stakeholder NU Designer Personal Pension	3	185	185	17	134	
Stakeholder NU Designer Personal Pension Additional		131	131			
NU Group AVC		14	14			
NU Variable Money Purchase Plan					38	
Sub total: Accumulating With-Profits Policies	397	8236	8236	2113	1475	298
Other Linked Contracts						
Personal Pension Scheme		501	501	981	2344	148
Personal Pension Scheme Additional		1962	1962			
NU Executive & Directors Personal Pension	66	12332	12332	921	10427	715
NU Free Standing AVC Plan	6	753	753	99	500	
NU Free Standing AVC Plan Additional		133	133			
NU Personal Transfer Plan	283	11362	11362			
NU Self Invested Personal Pension	1517	222051	222051			
NU Self Invested Personal Pension Additional		7558	7558			
NU Group Pension Investment Bond	444	70394	70394			
NU Designer Personal Pension	11430	36389	36389	19972	58540	

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
NU Designer Personal Pension Additional		73589	73589			
Stakeholder NU Your Pension	17488	366659	366659	26827	42668	
Stakeholder NU Your Pension Additional		96699	96699			
NU Your Pension Select (Post 6/4/01)	5120	236363	236363	8472	3803	
NU Your Pension Select (Post 6/4/01) Additional		52491	52491			
Stakeholder NU Designer Personal Pension	6155	18405	18405	9488	17457	
Stakeholder NU Designer Personal Pension Additional		22749	22749			
NU Group AVC	1027	4408	4408	651	1936	
NU Variable Money Purchase Plan	4837	58030	58030	11562	25972	
Sub total: Other Linked Contracts	48373	1292828	1292828	78973	163647	863
Total: Pension Insurance Business	48770	1301064	1301064	81086	165122	1161

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Permanent Health Insurance Business						
Non-Linked Non-Profit Policies						
NU Your Pension Protector				2080	172	341
Critical Illness Level				20117	11752	327304
Critical Illness Decreasing				90837	13872	1575965
Sub total: Non-Linked Non-Profit Policies				113034	25796	1903610
Total: Permanent Health Insurance Business				113034	25796	1903610
Total: UK Reinsurance Accepted	89764	2766472	2767147	476568	218020	6294989

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
OVERSEAS DIRECT WRITTEN INSURANCE BUSINESS						
Life Assurance & General Annuity Insurance Business						
Accumulating With-Profits Policies						
Pure endowment Insurance		140		2	164	
Pure endowment Insurance (Increments)		2393				
Group Pure Endowment Insurance	5	46	8	32	186	
Group Pure Endowment Insurance (Increments)		6				
Personal Pension 98 Series	7	422		33	36	
Personal Pension 98 Series (Increments)		185			52	
Personal Pension (GPPP)		7		23	85	
Personal Pension (GPPP Increments)		9				
Personal Pension 98 Series (GPPP)	1	348		13	15	
Personal Pension 98 Series (GPPP Increments)		27			102	
NU Designer Personal Pension	22	116		154	238	
NU Designer Personal Pension (Increments)		70			86	
Sub total: Accumulating With-Profits Policies	35	3769	8	257	964	
Non-Linked With-Profits Policies						
Whole Life Assurance				7071	1858	
Pure Endowments Insurance	1	8	12	45	183	3383

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Pure Endowment Insurance (Increments)		150	215		37	542
Group Pure Endowment Insurance		14	36	1	655	18028
Group Pure Endowment Insurance (Increments)		121	267			
Reversionary Annuity						7 pa
Sub total: Non-Linked With-Profits Policies	1	293	530	7117	2733	21953 7 pa
Non-Linked Non-Profit Policies						
Pure endowment Insurance	4	84	82			
Term Assurance	5721	4435		14050	2642	1127
Term Assurance (Increments)						1250
Immediate Annuity (Increments)	331	14213	848 pa			
Group Life				66	1725	1678204
Group Term assurance						231
Sub total: Non-Linked Non-Profit Policies	6056	18732	82 848 pa	14116	4367	1680812
Index Linked Contracts						
Annuity in Payment	2	275	11 pa			
Annuity in Payment (Increments)		34	1 pa			

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

Type of insurance	Single premium contracts			Regular premium contracts			Units
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit	
1	2	3	4	5	6	7	
Sub total: Index Linked Contracts	2	309	12 pa				
Other Linked Contracts							
Pure Endowment Insurance	1	36			33		
Pure Endowment Insurance (Increments)		291					
Group Pure Endowment Insurance				5	19		
Group Pure Endowment Insurance (Increments)		43					
Personal Pension 98 Series	25	681		84	105		
Personal Pension 98 Series (Increments)		737			78		
Personal Pension (GPPP)					10		
Personal Pension 98 Series (GPPP)	7	115		35	62		
Personal Pension 98 Series (GPPP Increments)		41			69		
NU Designer Personal Pension	93	1232		936	2158		
NU Designer Personal Pension (Increments)		2325			825		
Sub total: Other Linked Contracts	126	5501		1060	3359		
Total: Life Assurance & General Annuity Insurance Business	6220	28604	620 860 pa	22550	11423	1702765 7 pa	
Total: Overseas Direct Written Insurance Business	6220	28604	620 860 pa	22550	11423	1702765 7 pa	

Company
registration
number

GL/UK/CM

Period ended

day month year

R47

3253947

GL

31

12

2004

£000

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

Type of insurance	Single premium contracts			Regular premium contracts		
	No of contracts	Premiums	Sums assured, annuities per annum or other measures of benefit	No of contracts	Annual premiums	Sums assured, annuities per annum or other measures of benefit
1	2	3	4	5	6	7
OVERSEAS REINSURANCE ACCEPTED						
Life Assurance & General Annuity Insurance Business						
Accumulating With-Profits Policies						
NU Optimiser Personal Pension		27	27		11	
NU Optimiser Personal Pension Additional		17	17			
NU International Investment Plan		6	6			
NU International Investment Plan Additional		6	6			
NU Self Invested Personal Pension Additional		5	5			
NU Executive & Directors Personal Pension		12	12		9	
Sub total: Accumulating With-Profits Policies		73	73		20	
Non-Linked Non-Profit Policies						
Term Level				1177	95	27312
Term Decreasing				2924	314	63530
Sub total: Non-Linked Non-Profit Policies				4101	409	90842
Other Linked Contracts						
NU Optimiser Personal Pension	102	5877	5877	700	1641	
NU Optimiser Personal Pension additional		320	320			
NU International Investment Plan	33	52	52	6	5	
NU International Investment Plan additional		16	16			

Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47

3253947

GL

31

12

2004

£000

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
NU Self Invested Personal Pension	3	230	230			
NU Self Invested Personal Pension additional		35	35			
NU Executive & Directors Personal Pension	1	484	484	346	775	213
Sub total: Other Linked Contracts	139	7014	7014	1052	2421	213
Total: Life Assurance & General Annuity Insurance Business	139	7087	7087	5153	2850	91055

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	3253947	GL	31	12	2004	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
Permanent Health Insurance Business						
Non-Linked Non-Profit Policies						
Critical Illness Level				211	109	4018
Critical Illness Decreasing				1462	77	33322
Sub total: Non-Linked Non-Profit Policies				1673	186	37340
Total: Permanent Health Insurance Business				1673	186	37340
Total: Overseas Reinsurance Accepted	139	7087	7087	6826	3036	128395

Long term insurance business : Analysis of new industrial assurance businessName of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

		Company registration number	Period ended			Units	UK/NI	
		R47A	3253947	31	12	2004	£000	UK
		Whole life (including joint life)	Endowment assurance (including joint life)	(See instruction 2)			Other tables	
		1	2	3			4	
Number of new assurances	Weekly business	11	2					
	Monthly business	12						
Sums assured	Weekly business	13						
	Monthly business	14						
Annual premiums	Weekly business	15						
	Monthly business	16						

Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefitsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R48	3253947	GL	31	12	2004	£000	10
Type of asset			Value of admissible assets as shown on Form 13 1	Expected income from admissible assets 2	Yield % 3			
Land and buildings		11	3013892	188368	6.25			
Fixed interest securities	Approved securities	12	9608409	532311	4.51			
	Other	13	4641003	256864	5.30			
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14	9820	222	2.12			
	Other	15	41502	2036	4.92			
Equity shares and holdings in collective investment schemes		16	9472291	385098	4.07			
Loans secured by mortgages		17	360968	22777	6.31			
All other assets	Producing income	18	1047498	61224	5.84			
	Not producing income	19	488109					
Total (11 to 19)		29	28683492	1448900	4.67			

Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefitsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **With Profit.**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R48	3253947	GL	31	12	2004	£000	90
Type of asset			Value of admissible assets as shown on Form 13 1		Expected income from admissible assets 2		Yield % 3	
Land and buildings		11	3013892		188368		6.25	
Fixed interest securities	Approved securities	12	9037923		498254		4.51	
	Other	13	4160282		230643		5.31	
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15	41502		2036		4.92	
Equity shares and holdings in collective investment schemes		16	9445145		384417		4.07	
Loans secured by mortgages		17						
All other assets	Producing income	18	910527		55009		6.04	
	Not producing income	19	205952					
Total (11 to 19)		29	26815223		1358727		4.69	

Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefitsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Non Profit**

Type of asset	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R48	3253947	GL	31	12	2004	£000	91
			Value of admissible assets as shown on Form 13 1		Expected income from admissible assets 2		Yield % 3	
Land and buildings		11						
Fixed interest securities	Approved securities	12	570486		34057		4.55	
	Other	13	480721		26221		5.17	
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14	9820		222		2.12	
	Other	15						
Equity shares and holdings in collective investment schemes		16	27146		681		2.51	
Loans secured by mortgages		17	360968		22777		6.31	
All other assets	Producing income	18	136971		6215		4.54	
	Not producing income	19	282157					
Total (11 to 19)		29	1868269		90173		4.32	

Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefitsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Belgium**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R48	3253947	GL	31	12	2004	£000	95
Type of asset			Value of admissible assets as shown on Form 13 1	Expected income from admissible assets 2	Yield % 3			
Land and buildings		11						
Fixed interest securities	Approved securities	12						
	Other	13						
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes		16						
Loans secured by mortgages		17						
All other assets	Producing income	18						
	Not producing income	19						
Total (11 to 19)		29						

Long term insurance business : Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefitsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Total long term insurance business assets**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

Category
of assets

R49	3253947	GL	31	12	2004	£000	10
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Redemption period in years			Value of admissible assets as shown on Form 13 1	Gross redemption yield % 2	Value of admissible higher yielding assets 3		Value of admissible assets as shown on Form 13 4	Gross redemption yield % 5	Value of admissible higher yielding assets 6
One year or less	11	Fixed interest approved securities	458281	4.12		Variable interest and variable yield approved securities excluding equities			
More than one year but not more than five years	12		2536947	4.42			4733	2.35	
More than five years but not more than ten years	13		2517255	4.54			2804	1.96	
More than ten years but not more than fifteen years	14		1467509	4.57			1213	1.87	
More than fifteen years but not more than twenty years	15		819484	4.60			1070	1.81	
More than twenty years but not more than twenty five years	16		942222	4.69					
More than twenty five years	17		840457	4.55	487				
Irredeemable	18		26254	4.69					
Total (11 to 18)	19		9608409	4.51	487		9820	2.12	
One year or less	21	Other fixed interest securities	878884	4.50		Other variable interest and variable yield securities excluding equities			
More than one year but not more than five years	22		519726	5.03	49246				
More than five years but not more than ten years	23		1039229	5.40	52780				
More than ten years but not more than fifteen years	24		596715	5.49	18507				
More than fifteen years but not more than twenty years	25		352151	5.36	43753				
More than twenty years but not more than twenty five years	26		324637	5.78	43826				
More than twenty five years	27		541598	5.48	9589			1074	0.36
Irredeemable	28		388063	6.11				40428	5.04
Total (21 to 28)	29		4641003	5.30	217701		41502	4.92	

Long term insurance business : Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefitsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **With Profit.**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

Category
of assets

R49	3253947	GL	31	12	2004	£000	90
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Redemption period in years			Value of admissible assets as shown on Form 13 1	Gross redemption yield % 2	Value of admissible higher yielding assets 3		Value of admissible assets as shown on Form 13 4	Gross redemption yield % 5	Value of admissible higher yielding assets 6
One year or less	11	Fixed interest approved securities	400854	4.07		Variable interest and variable yield approved securities excluding equities			
More than one year but not more than five years	12		2445010	4.42					
More than five years but not more than ten years	13		2339614	4.54					
More than ten years but not more than fifteen years	14		1385297	4.57					
More than fifteen years but not more than twenty years	15		739405	4.60					
More than twenty years but not more than twenty five years	16		892200	4.70					
More than twenty five years	17		835543	4.55	487				
Irredeemable	18								
Total (11 to 18)	19		9037923	4.51	487				
One year or less	21	Other fixed interest securities	619262	4.42		Other variable interest and variable yield securities excluding equities			
More than one year but not more than five years	22		502594	5.02	49246				
More than five years but not more than ten years	23		1013726	5.39	52780				
More than ten years but not more than fifteen years	24		579841	5.48	18507				
More than fifteen years but not more than twenty years	25		334826	5.36	43753				
More than twenty years but not more than twenty five years	26		302540	5.77	43826				
More than twenty five years	27		436862	5.46	9589			1074	0.36
Irredeemable	28		370631	6.08				40428	5.04
Total (21 to 28)	29		4160282	5.31	217701		41502	4.92	

Long term insurance business : Analysis of admissible fixed interest and variable interest and variable yield securities not held to match liabilities in respect of linked benefitsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

Category
of assets

R49	3253947	GL	31	12	2004	£000	91
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Redemption period in years			Value of admissible assets as shown on Form 13 1	Gross redemption yield % 2	Value of admissible higher yielding assets 3		Value of admissible assets as shown on Form 13 4	Gross redemption yield % 5	Value of admissible higher yielding assets 6
One year or less	11	Fixed interest approved securities	57427	4.43		Variable interest and variable yield approved securities excluding equities			
More than one year but not more than five years	12		91937	4.48			4733	2.35	
More than five years but not more than ten years	13		177641	4.58			2804	1.96	
More than ten years but not more than fifteen years	14		82212	4.59			1213	1.87	
More than fifteen years but not more than twenty years	15		80079	4.59			1070	1.81	
More than twenty years but not more than twenty five years	16		50022	4.54					
More than twenty five years	17		4914	4.76					
Irredeemable	18		26254	4.69					
Total (11 to 18)	19		570486	4.55		9820	2.12		
One year or less	21	Other fixed interest securities	259622	4.70		Other variable interest and variable yield securities excluding equities			
More than one year but not more than five years	22		17132	5.29					
More than five years but not more than ten years	23		25503	5.95					
More than ten years but not more than fifteen years	24		16874	6.01					
More than fifteen years but not more than twenty years	25		17325	5.41					
More than twenty years but not more than twenty five years	26		22097	5.88					
More than twenty five years	27		104736	5.56					
Irredeemable	28		17432	6.65					
Total (21 to 28)	29		480721	5.17					

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **UK** Type of business **L&GA** Category of surplus **11**

Category of surplus **With Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
DIRECT WRITTEN INSURANCE BUSINESS											
With-Profits Policies											
Whole Life	3.4	A	29254	1089889	15590	10116	0.351	658051	149685	89940	568111
Endowment insurance	3.4	A	592221	7880341	235655	146492	0.378	6397369	1556690	860813	5536556
Pure Endowment insurance	3.4		12758	131295	5214	1716	0.671	83093	93297	28851	54242
Fixed term assurance	3.4	A	21903	89337	4244	3016	0.289	78393	14833	10447	67946
Deferred Annuity (10% Plan) - Guaranteed Annuity Option applies	4.3	E	363	87 pa				782			782
Contingency reserve								14000			14000
Miscellaneous reserve								60500			60500
Sub total: With-Profits Policies			656499	9190862 87 pa	260703	161340		7292188	1814505	990051	6302137
Non-Profit Policies											
Deferred Annuity (Continued beyond retirement)	4	E	5					4			4
Sub total: Non-Profit Policies			5					4			4
Sub total: Direct Written Insurance Business			656504	9190862 87 pa	260703	161340		7292192	1814505	990051	6302141

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **UK** Type of business **L&GA** Category of surplus **11**

Category of surplus **With Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
REASSURANCE ACCEPTED											
With-Profits Policies											
Whole Life assurance	3.4	A	54	3067	39	28	0.277	1985	277	173	1812
Endowment insurance	3.4	A	6	779	32	23	0.284	711	75	54	657
Sub total: With-Profits Policies			60	3846	71	51		2696	352	227	2469
Non-Profit Policies											
Term level	3.2	O	85868	348463	457			18051	9689	4440	13611
Term level with critical illness	3.2	Q	31487	84245	191			2749	2254	1447	1302
Term decreasing	3.2	O	20744	58842	538			4794	6085	4389	405
Term decreasing with critical illness	3.2	R	60415	133417	566			5949	6910	5126	823
Sub total: Non-Profit Policies			198514	624967	1752			31543	24938	15402	16141
Sub total: Reassurance Accepted			198574	628813	1823	51		34239	25290	15629	18610
REASSURANCE CEDED											
With-Profits Policies											
Whole Life assurance	3.4	A		10185	111	67	0.400	6044	895	501	5543
Endowment insurance	3.4	A		1436	26	19	0.286	1293	69	49	1244

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **UK** Type of business **L&GA** Category of surplus **11**

Category of surplus **With Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Sub total: With-Profits Policies				11621	137	86		7337	964	550	6787
Sub total: Reassurance Ceded				11621	137	86		7337	964	550	6787
Net total: Life Assurance & General Annuity Insurance Business			855078	9808054 87 pa	262389	161305		7319094	1838831	1005130	6313964

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R51	3253947	GL	31	12	2004	£000	UK	Pens	11
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
DIRECT WRITTEN INSURANCE BUSINESS											
With-Profits Policies											
Endowment insurance	4.3	A	151	920	1	1	0.242	802	3	2	800
Pure Endowment insurance (RNI)	4.3	B	2522	87199	1044	704	0.325	58526	6739	4246	54280
Pure Endowment insurance (Section 32 - RNI)	4.3	D	28692	936302				886118			886118
Pure Endowment insurance (ROF)	4.3		12520	630814	7624	5000	0.344	426881	56068	33506	393375
Pure Endowment insurance (Section 32 - ROF)	4.3	E	37885	1369191				1210139			1210139
Pure Endowment insurance (Self Employed) - Guaranteed Annuity option Applies	4.3	E	51052	1411360	11425	9318	0.184	1561449	67164	55751	1505698
Annuity in payment	2	G	2995	12092 pa				138882			138882
Deferred Annuity - Guaranteed Annuity option Applies	4.3	D	6727	24094 pa	1612	995	0.383	284413	10489	5993	278420
Deferred Annuity (Self Employed) - Guaranteed Annuity option Applies	4.3	E	8151	23023 pa	924	570	0.383	257358	4360	2603	254755
Reversionary Annuity	4.3	D	2	2619 pa	51	31	0.390	7036	333	203	6833
Group Pure Endowment insurance (ROF)	4.3		68	27697	731	405	0.445	13592	8363	4134	9458
Group Pure Endowment insurance (RNI)	4.3	B	14	2963	67	41	0.381	1491	602	344	1147
Group Deferred annuity (Recurring Single Premium)	4.3	D	10	3709 pa				31487			31487
Contingency reserve								2000			2000

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R51	3253947	GL	31	12	2004	£000	UK	Pens	11
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Miscellaneous Reserve								4000			4000
Sub total: With-Profits Policies			150789	4466446 65537 pa	23479	17065		4884174	154121	106782	4777392
Non-Profit Policies											
Pure endowment insurance (Section 32 - ROF)	4	E	1066	50204				52246			52246
Pure endowment insurance (Section 32 - RNI)	4	D	90	410				3180			3180
Pure Endowment insurance (Continued beyond retirement)	4		629	41083				41092			41092
Deferred annuity	4	D	8338	29669 pa				330087			330087
Deferred annuity (Continued beyond retirement)	4	E	577	1905 pa				53885			53885
Reversionary annuity (Single premium - attaching to other insurances - ROF)	4	E		160 pa				912			912
Reversionary annuity (Single premium - attaching to other insurances - RNI)	4	D		16251 pa				40986			40986
Reversionary annuity (Continued beyond retirement)	4	E		233 pa				867			867
Group pure endowment insurance	4		1	85				81			81
Group deferred annuity (Continued beyond retirement)	4	E	10	20 pa				391			391
Group deferred annuity (Discontinued)	4	F	89	12169 pa				102351			102351

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R51	3253947	GL	31	12	2004	£000	UK	Pens	11
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Sub total: Non-Profit Policies			10800	91782 60407 pa				626078			626078
Sub total: Direct Written Insurance Business			161589	4558228 125944 pa	23479	17065		5510252	154121	106782	5403470
Net total: Pension Insurance Business			161589	4558228 125944 pa	23479	17065		5510252	154121	106782	5403470

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Permanent Health Insurance Business**Category of surplus **With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R51	3253947	GL	31	12	2004	£000	UK	PHI	11
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
REASSURANCE ACCEPTED											
Non-Profit Policies											
Critical Illness	4	Q	31487	84245	360		5038	4078	2486	2552	
Critical Illness Decreasing	4	R	60415	133417	916		9203	10630	7816	1387	
Critical Illness Level attaching to Decreasing Term Assurance	4	R	398	527	8		155	89	89	66	
Sub total: Non-Profit Policies			92300	218189	1284		14396	14797	10391	4005	
Sub total: Reassurance Accepted			92300	218189	1284		14396	14797	10391	4005	
Net total: Permanent Health Insurance Business			92300	218189	1284		14396	14797	10391	4005	
Net total: United Kingdom Insurance Business			1108967	14584471 126031 pa	287152	178370	12843742	2007749	1122303	11721439	

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **OS** Type of business **L&GA** Category of surplus **11**

Category of surplus **With Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
DIRECT WRITTEN INSURANCE BUSINESS											
With-Profits Policies											
Whole Life assurance	3.4	A	176	18736	278	191	0.312	12009	2442	1483	10526
Endowment insurance	3.4	A	7923	168446	6882	4813	0.301	145197	23889	15325	129872
Pure Endowment insurance (RNI)	4.3	B	85	3695	161	103	0.360	1873	1488	839	1034
Pure Endowment insurance (ROF)	4.3		1571	38842	1318	782	0.407	23794	13583	7191	16603
Pure Endowment insurance (Section 32)	4.3	E	4	1392				1289			1289
Pure Endowment insurance (Self Employed) - Guaranteed Annuity Option Applies	4.3	E	2555	83919	1078	913	0.153	87019	6661	5787	81232
Fixed term assurance	3.4	A	537	2632	123	89	0.282	2311	445	317	1994
Deferred annuity - Guaranteed Annuity Option Applies	4.3	D	190	1376 pa	170	106	0.379	11260	1083	636	10624
Deferred annuity	4.3	E	633	5434 pa	1081	688	0.364	49740	7299	4400	45340
Group Pure endowment insurance (RNI)	4.3	B	4	1033	36	20	0.455	533	378	193	340
Group Pure endowment insurance (ROF)	4.3		114	135169	5243	2671	0.490	51934	69614	32642	19292
Group deferred annuity	4.3	D	1	14 pa				92			92
Sub total: With-Profits Policies			13793	453864 6824 pa	16370	10376		387051	126882	68813	318238

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **OS** Type of business **L&GA** Category of surplus **11**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
Non-Profit Policies											
Term level	3.2	O	771	4624	11			184	103	40	144
Term level with critical illness	3.2	Q	341	1282	2			40	21	13	27
Term decreasing	3.2	O	1141	4914	33			310	394	292	18
Term decreasing with critical illness	3.2	R	1364	4553	16			181	191	151	30
Sub total: Non-Profit Policies			3617	15373	62			715	709	496	219
Sub total: Reassurance Accepted			3617	15373	62			715	709	496	219
REASSURANCE CEDED											
With-Profits Policies											
Whole life assurance	3.4	A		779	25	18	0.273	669	105	74	595
Endowment insurance	3.4	A		1542	46	17	0.638	1250	131	87	1163
Sub total: With-Profits Policies				2321	71	35		1919	236	161	1758
Sub total: Reassurance Ceded				2321	71	35		1919	236	161	1758
Net total: Life Assurance & General Annuity Insurance Business			17729	467404 8778 pa	16361	10341		403129	127355	69148	333981

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Permanent Health Insurance Business**Category of surplus **With Profit**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
REASSURANCE ACCEPTED											
Non-Profit Policies											
Critical Illness	4	Q	341	1282	4			79	42	22	57
Critical Illness Decreasing	4	R	1364	4553	28			297	314	242	55
Critical Illness Level attaching to Decreasing Term Assurance	4	R	1								
Sub total: Non-Profit Policies			1706	5835	32			376	356	264	112
Sub total: Reassurance Accepted			1706	5835	32			376	356	264	112
Net total: Permanent Health Insurance Business			1706	5835	32			376	356	264	112
Net total: Overseas Insurance Business			19435	473239 8778 pa	16393	10341		403505	127711	69412	334093

Company registration number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of business

Category of surplus

R51

3253947

GL

31

12

2004

£000

OS

PHI

11

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **UK** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
DIRECT WRITTEN INSURANCE BUSINESS											
Non-Profit Policies											
Whole Life Assurance	3.20	A67/70-1	11668	41006	789	708	0.102	28266	6649	4298	23968
Whole Life Assurance	3.20	A67/70+4	46758	66011	4493	4120	0.083	52643	26657	20979	31664
Endowment Assurance	3.20	A67/70-1	666	5369	126	118	0.068	5117	206	184	4933
Term Assurance (Level Benefit)	3.20	90% AM80/AF80	71527	4090158	15008			132464	102369	82269	50195
Term Assurance (Level Benefit)	3.20	70% AM80/AF80	14185	1325844	7451			72468	53754	48225	24243
Term Assurance (Others)	3.20	90% AM80/AF80	90177	7136177	35636			284918	216244	180744	104174
Term Assurance (Others)	3.20	70% AM80/AF80	28855	1065768	6919			40391	47500	34562	5829
Annuity In Payment	5.28	IMA/IFA80	2	1 pa				10			10
Annuity In Payment	5.28	PMA/PFA80	349	97 pa				841			841
Annuity In Payment	4.78	IMA/IFA80	145	361 pa				4154			4154
Annuity In Payment	4.78	PMA/PFA80	586	212 pa				2779			2779
Annuity In Payment (Temporary)	4.78	IMA/IFA80	79	130 pa				230			230
Annuity In Payment (Long Term Care)	4.78	IMA/IFA80	82	1088 pa				4002			4002
Annuity Certain	4.78		9	7 pa				15			15
Deferred Annuity (Continued Beyond Retirement) - GAO Applies		see text	189	87 pa				573			573
Reversionary Annuity	5.28	PMA/PFA80	8	12 pa				31			31

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51 3253947** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **UK** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
Group Term Assurance (Others) Attaching To	3.20	90% AM80/AF80	1	356355	1132			11110	10861	7952	3158
Group Temporary Insurance (Recurring Single Premium)			79	1165851	1500			486			486
Miscellaneous Assurances			1796	416685	13322			11079			11079
Creditor Life Business (Group)		A67/70	162	7689832				69328			69328
Creditor Life Business (Group)		A49/52	53	2035799				26703			26703
Whole Life Assurance	3.00	90%A67/70	5	245	2			24			24
Contingency Reserve - AIDS								5000			5000
Contingency Reserve - Balance								2000			2000
Miscellaneous Annuities			2	80 pa	4			11			11
Additional Reserve								38550			38550
Sub total: Non-Profit Policies			267383	25395100 2075 pa	86382	4946		793193	464240	379213	413980
Sub total: Direct Written Insurance Business			267383	25395100 2075 pa	86382	4946		793193	464240	379213	413980
REASSURANCE ACCEPTED											
Non-Profit Policies											
Whole life assurance	3.20	A67/70-1	16	52			0.193	43	1		43

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51 3253947** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **UK** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Whole life assurance	3.75	HD68/72	14113	29617	1724	1447	0.161	20552	12553	11298	9254
Whole life assurance	3.75	HD68/72		22872	49	48	0.020	22			22
Term assurance (Level benefit)	3.20	90% AM80/ AF80	10	2221	10			62	39	37	25
Term assurance (Others)	3.20	90% AM80/ AF80	22	732	8			11			11
Term level	3.20	O	352647	5056724	21952			275108	256579	176278	98830
Term level with critical illness	3.20	Q	85870	2280776	4156			57102	55288	49002	8100
Term level with reviewable critical illness	3.20	Q	4055	127589	309			4008	4239	3927	81
Term decreasing	3.20	O	160100	1661365	16118			172828	211076	168930	3898
Term decreasing with critical illness	3.20	R	284295	4308048	14363			167949	183144	159636	8313
Term decreasing with reviewable critical illness	3.20	R	13965	389553	1052			13412	14365	13242	170
Whole life assurance	4.00	SIM81	350	1621	50	43	0.136	508	220	189	319
Whole life assurance	3.00	SIM81	38	152	7	6	0.167	51	38	35	16
Endowment insurance	4.00	SIM81	2596	7441	458	397	0.135	5620	3338	2893	2727
Endowment insurance	3.00	SIM81	587	2019	109	95	0.134	1073	902	782	291
Pure endowment insurance	4.00	SIM71	811	3051	231	202	0.127	2442	1210	1058	1384
Pure endowment insurance	3.00	SIM71	16	203	17	15	0.111	134	97	87	47
Pure endowment insurance	4.00	SIM91	76	261	14	12	0.108	164	121	107	57
Pure endowment insurance	3.00	SIM91	228	818	56	51	0.100	533	410	367	166
Deferred annuity	4.00	SIM71 / SIM71PS	2178	499 pa	377	339	0.101	4429	2785	2504	1925

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **UK** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Deferred annuity	3.00	SIM71 / SIM71PS	442	118 pa	84	78	0.080	1053	810	747	306
Sub total: Non-Profit Policies			922415	13895115 617 pa	61144	2733		727104	747215	591119	135985
Sub total: Reassurance Accepted			922415	13895115 617 pa	61144	2733		727104	747215	591119	135985
REASSURANCE CEDED											
Non-Profit Policies											
Whole life assurance	3.20	A67/70-1		94	1	1	0.050	78	5	5	73
Endowment insurance	3.20	A67/70-1		52	1	1	0.050	50	2	2	48
Term level	3.20	O		5056724	21952			275108	256579	176278	98830
Term level with critical illness	3.20	Q		2280776	4156			57102	55288	49002	8100
Term level with reviewable critical illness	3.20	Q									
Term decreasing	3.20	O		1082446	10502			112604	137525	110064	2540
Term decreasing with critical illness	3.20	R		4308048	14363			167949	183144	159636	8313
Term decreasing with reviewable critical illness	3.20	R									
Term assurance (Level benefit)	3.20	90% AM80/ AF80		3430910	14389			108256	72503	71548	36708
Term assurance (Level benefit)	3.20	70% AM80/ AF80		1084421	7422			58974	26308	34971	24003

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **UK** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
Term assurance (Others)	3.20	90% AM80/AF80		5506663	36734			223797	142054	142227	81570
Term assurance (Others)	3.20	70% AM80/AF80		852588	6766			32312	17778	27119	5193
Annuity in payment	5.28	IMA/IFA80		1 pa				10			10
Annuity in payment	5.28	PMA/PFA80		97 pa				841			841
Annuity in payment	4.78	IMA/IFA80		361 pa				4154			4154
Annuity in payment	4.78	PMA/PFA80		212 pa				2779			2779
Annuity in payment (Temporary)	4.78	IMA/IFA80		130 pa				230			230
Annuity in payment (Long Term Care)	4.78	IMA/IFA80		1088 pa				4002			4002
Annuity certain	4.78			7 pa				15			15
Reversionary Annuity	5.28	PMA/PFA80		12 pa				31			31
Group temporary assurance (RSP)	3.20	90% AM80/AF80						7	5	5	2
Miscellaneous Assurances				2793	6			7248			7248
Creditor Life Business (Group)		A49/52		1364730				21196			21196
Creditor Life Business (Group)		A67/70		12771				340			340
Whole Life assurance	3.00	90%A67/70		212				16			16
Sub total: Non-Profit Policies				24983228 1908 pa	116292	2		1077099	891191	770857	306242

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **UK** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Sub total: Reassurance Ceded				24983228 1908 pa	116292	2		1077099	891191	770857	306242
Net total: Life Assurance & General Annuity Insurance Business			1189798	14306987 784 pa	31234	7677		443198	320264	199475	243723

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
DIRECT WRITTEN INSURANCE BUSINESS											
Non-Profit Policies											
Endowment Insurance	4.00	A67/70-1	44	22			0.178	21			21
Term Assurance (Level Benefit)	4.00	90% AM80/AF80	31017	1878725	7464			64601	39672	30539	34062
Annuity In Payment	5.28	PMA/PFA80	177289	356460 pa				5151056			5151056
Annuity In Payment (Temporary)	5.28	PMA/PFA80	37	73 pa				329			329
Annuity Certain	5.28		1428	3537 pa				8759			8759
Deferred Annuity - GAO Applies	4.40	see text*	5222	826 pa				11578			11578
Deferred Annuity	4.40	see text*	8361	19890 pa				225374			225374
Deferred Annuity (Continued Beyond Retirement)		see text	1344	1064 pa				9836			9836
Deferred Annuity	4.40	see text*	7048	20143 pa				226976			226976
Reversionary Annuity	5.28	PMA/PFA80	1444	599 pa				2836			2836
Reversionary Annuity (Attaching to other insurances)	4.40	see text*		1162 pa	97	87	0.100	596	544	421	175
Reversionary Annuity (Attaching to other insurances) - GAO Applies	4.40	see text*	2	9 pa			0.100	5	2	2	3
Reversionary Annuity (Single Premium - Attaching to other insurances)	4.40	see text*	1	38205 pa				118057			118057
Group Deferred Annuity	4.40	see text*	27	2 pa				30			30
Group Deferred Annuity - GAO Applies	4.40	see text*	4	172 pa				1821			1821
Group Deferred Annuity (Continued Beyond Retirement)		see text	27	5 pa				27			27

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
Group Reversionary Annuity (Single Premium - Attaching to other insurances)		see text*		277397 pa	8253			3400			3400
Group Reversionary Annuity (Single Premium - Attaching to other insurances)				36415593	44686			18251			18251
Group Term Assurance (Recurring Single Premium)								2000			2000
Contingency Reserve								10087			10087
Miscellaneous Assurances				21986	40			16536			16536
Additional reserve											
Sub total: Non-Profit Policies			233295	38316326 719544 pa	60540	87		5872176	40218	30962	5841214
Sub total: Direct Written Insurance Business			233295	38316326 719544 pa	60540	87		5872176	40218	30962	5841214
REASSURANCE CEDED											
Non-Profit Policies											
Term Assurance (Level Benefit)	4.00	90% AM80/ AF80		1270728	5203			57750	29818	29875	27875
Annuity In Payment	5.28	PMA/PFA80		356460 pa				5151056			5151056
Annuity In Payment (Temporary)	5.28	PMA/PFA80		73 pa				329			329
Annuity Certain	5.28			3537 pa				8759			8759

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
Reversionary Annuity	5.28	PMA/PFA80		599 pa				2836			2836
Reversionary Annuity (Attaching to other insurances)	4.40			125 pa	11	10	0.100	42	36	28	14
Sub total: Non-Profit Policies				1270728 360794 pa	5214	10		5220772	29854	29903	5190869
Sub total: Reassurance Ceded				1270728 360794 pa	5214	10		5220772	29854	29903	5190869
Net total: Pension Insurance Business			233295	37045598 358750 pa	55326	77		651404	10364	1059	650345

Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R51

3253947

GL

31

12

2004

£000

UK

Pens

12

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Permanent Health Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R51	3253947	GL	31	12	2004	£000	UK	PHI	12
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
DIRECT WRITTEN INSURANCE BUSINESS											
Non-Profit Policies											
Safeguard: ALR	3.75	see text	59185	713671	20847			214678	252070	158282	56396
PHI: ALR	3.75	see text	27103	288818	8244			110816	63373	58902	51914
PHI: DLR (fixed)	4.50	see text						51119			51119
Group level annual premium: ALR	3.75	see text	173	12651	285			4932	2557	1998	2934
Group level annual premium: DLR (fixed)	4.50	see text						2053			2053
Group IP: ALR	3.75	see text	820		9882			3625			3625
Group IP DLR (Fixed)	4.50	see text						6502			6502
Corporate Safeguard: ALR	3.75	see text	626		2474			2062			2062
Corporate Safeguard: DLR (fixed)	4.50	see text						1318			1318
Corporate PHI: ALR	3.75	see text	678		3600			2999			2999
Corporate PHI: DLR (fixed)	4.50	see text						18392			18392
Notified Outstanding Claims Reserve		see text						11623			11623
Long Term Care (Future assured)		see text	903		1138			9157			9157
Flexible Protection Bond (Future assured)			271		392			456			456
Stand alone future assured			2706		2226			13946			13946
Creditor Life Long Term Business (Group)			64	629155 pa				127827			127827
Permanent Health Insurance	5.00	see text	176	223 1192 pa	26			701			701

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Permanent Health Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R51	3253947	GL	31	12	2004	£000	UK	PHI	12
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Creditor Life Insurance (Group) Contingency reserve Additional reserve			1	221564 pa				7626 5599 13869			7626 5599 13869
Sub total: Non-Profit Policies			92706	1015363 851911 pa	49114			609300	318000	219182	390118
Sub total: Direct Written Insurance Business			92706	1015363 851911 pa	49114			609300	318000	219182	390118
REASSURANCE ACCEPTED											
Non-Profit Policies											
Mortgage Payment Protection ALR	3.75	see text	28526	200774	4610			53537	66873	41276	12261
Mortgage Payment Protection DLR	4.50	see text						271			271
NU Your pension protector			11798	1922	948			948			948
Critical Illness Level	4.00	Q	85870	2280776	12073			154895	153091	137206	17689
Reviewable Critical Illness Level	4.00	Q	4055	127589	818			9834	10568	9651	183
Critical Illness Level attaching to Decreasing Term Assurance	4.00	R	5577	40586	892			12972	11103	11103	1869
Reviewable Critical Illness Level attaching to Decreasing Term Assurance	4.00	R	110	1839	17			412	227	227	185
Critical Illness Decreasing	4.00	R	284295	4308048	33127			381198	421498	370212	10986

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Permanent Health Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R51	3253947	GL	31	12	2004	£000	UK	PHI	12
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Reviewable Critical Illness Decreasing	4.00	R	13965	389553	2617			31617	34469	31385	232
Sub total: Non-Profit Policies			434196	7351087	55102			645684	697829	601060	44624
Sub total: Reassurance Accepted			434196	7351087	55102			645684	697829	601060	44624
REASSURANCE CEDED											
Non-Profit Policies											
Permanent health insurance								17970			17970
Creditor Life Business Group				177251 pa				6101			6101
Creditor Life Long Term Business (Group)								1			1
Permanent health insurance	5.00	see text		75 736 pa	12			333			333
Sub total: Non-Profit Policies				75 177987 pa	12			24405			24405
Sub total: Reassurance Ceded				75 177987 pa	12			24405			24405
Net total: Permanent Health Insurance Business			526902	8366375 673924 pa	104204			1230579	1015829	820242	410337

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Permanent Health Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R51	3253947	GL	31	12	2004	£000	UK	PHI	12
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Net total: United Kingdom Insurance Business			1949995	59718960 1033458 pa	190764	7754		2325181	1346457	1020776	1304405

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **OS** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
DIRECT WRITTEN INSURANCE BUSINESS											
Non-Profit Policies											
Whole life assurance	3.20	A67/70-1	33	136	1	1	0.231	94	16	13	81
Endowment insurance	3.20	A67/70-1	12	67	3	2	0.254	52	20	14	38
Term assurance (Level benefit)	3.20	90% AM80/AF80	1069	78421	319			1763	1471	1096	667
Term assurance (Level benefit)	3.20	70% AM80/AF80	199	28099	134			1076	864	756	320
Term assurance (Level benefit)	4.00	90% AM80/AF80	71	5587	23			39	57	18	21
Term assurance (Others)	3.20	90% AM80/AF80	1783	122312	602			5310	3957	3291	2019
Term assurance (Others)	3.20	70% AM80/AF80	831	40870	247			1737	1602	1240	497
Term assurance (Level benefit - attaching to other assurances)	3.20	90% AM80/AF80		13095	37			308	229	211	97
Term assurance (Level benefit - attaching to other assurances)	3.20	70% AM80/AF80									
Term assurance (Level benefit - attaching to other assurances)	4.00	90% AM80/AF80									
Term assurance (Others - attaching to other assurances)	3.20	90% AM80/AF80									
Annuity in payment	5.28	PMA/PFA80	2803	8153 pa				118944			118944
Annuity in payment	5.28	IMA/IFA80	21	78 pa				533			533
Annuity in payment (Temporary)	5.28	IMA/IFA80	2	7 pa				46			46

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **OS** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
Annuity in payment (Temporary)	5.28	PMA/PFA80	3	15 pa							
Deferred annuity - Guaranteed Annuity Option applies	4.40	see text	1					2			2
Deferred annuity (Self employed)	4.40	see text	2	5 pa				72			72
Deferred annuity	4.40	see text*	53	239 pa				2587			2587
Deferred annuity (Continued beyond normal retirement)		see text	5	11 pa				90			90
Reversionary annuity - attaching to other insurances - Guaranteed Annuity Option applies	4.40	see text									
Reversionary annuity (Single premium attaching to other insurances)	4.40	see text		95 pa				310			310
Reversionary annuity - attaching to other insurances	4.40	see text		109 pa	7	6	0.100	46	50	40	6
Reversionary annuity	5.28	PMA/PFA80	4	4 pa				15			15
Group pure endowment insurance (Continued beyond maturity)		see text									
Group term assurance - (Recurring single premium)				713601	965			713			713
Annuity certain	5.28		14	28 pa				63			63
Group reversionary annuity (Single premium - attaching to other insurances)				11186 pa	289			229			229
Miscellaneous Assurances			60	24				59			59

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **OS** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Non-Profit Policies											
Term assurance (Level benefit)	3.20	90% AM80/AF80		52292	199			1378	899	909	469
Term assurance (Level benefit)	3.20	70% AM80/AF80		23732	134			896	419	583	313
Term assurance (Others)	3.20	90% AM80/AF80		100600	608			4531	2674	2763	1768
Term assurance (Others)	3.20	70% AM80/AF80		32696	242			1390	880	1081	309
Term assurance (Level benefit - attaching to other assurances)	3.20	90% AM80/AF80		678	40			27	40	21	6
Term assurance (Others - attaching to other assurances)	3.20	90% AM80/AF80									
Reversionary annuity - attaching to other insurances	4.40	see text		31 pa	3			17	18	17	
Annuity in payment	5.28	PMA/PFA80		8153 pa				118944			118944
Annuity in payment	5.28	IMA/IFA80		78 pa				533			533
Annuity in payment (Temporary)	5.28	IMA/IFA80		7 pa				46			46
Annuity in payment (Temporary)	5.28	PMA/PFA80		15 pa							
Reversionary annuity	5.28	PMA/PFA80		4 pa				15			15
Annuity certain	5.28			28 pa				63			63
Sub total: Non-Profit Policies				209998 8316 pa	1226			127840	4930	5374	122466

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **OS** Type of business **L&GA** Category of surplus **12**

Category of surplus **Non Profit**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Sub total: Reassurance Ceded				209998 8316 pa	1226	9		127840	4930	5374	122466
Net total: Life Assurance & General Annuity Insurance Business			21911	1093786 11614 pa	2739	9		21689	20137	15168	6521

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Permanent Health Insurance Business**Category of surplus **Non Profit**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
REASSURANCE ACCEPTED											
Non-Profit Policies											
Critical Illness Level	4.00	Q	1073	34431	218			2742	2586	2373	369
Reviewable Critical Illness Level	4.00	Q	52	1692	11			135	143	130	5
Critical Illness Decreasing	4.00	R	5359	114318	808			9569	10372	9287	282
Critical Illness Level attaching to Decreasing Term Assurance	4.00	R	59	680	14			228	168	168	60
Reviewable Critical Illness Level attaching to Decreasing Term Assurance	4.00	R	5	45	1			16	6	6	10
Reviewable Critical Illness Decreasing	4.00	R	166	22011	39			479	516	476	3
Sub total: Non-Profit Policies			6714	173177	1091			13169	13791	12440	729
Sub total: Reassurance Accepted			6714	173177	1091			13169	13791	12440	729
Net total: Permanent Health Insurance Business			6714	173177	1091			13169	13791	12440	729
Net total: Overseas Insurance Business			28625	1266963 11614 pa	3830	9		34858	33928	27608	7250

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**

Type of business **Life Assurance & General Annuity Insurance Business** Company registration number **R51** GL/UK/CM **GL** Period ended **31 12 2004** Units **£000** UK/OS **OS** Type of business **L&GA** Category of surplus **14**

Category of surplus **Belgium**

Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses 5	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 8	Value of sums assured or annuities per annum, including vested reversionary bonuses 9	Value of annual premiums		Amount of mathematical reserves 12
	Rate of interest 2	Mortality or morbidity table 3			Office premiums 6	Net premiums 7			Office premiums 10	Net premiums 11	
Miscellaneous Contingency Reserves			49		607	1		2085			2085
Sub total: Non-Profit Policies			140263	5954673	15619	11090		115575	105978	82107	33468
Sub total: Direct Written Insurance Business			211935	6173361 11177 pa	28806	22762		259540	217444	182252	77288
REASSURANCE CEDED											
With-Profits Policies											
Whole Life	3.75	HD68/72		199196	12763	11281	0.116	130385	109679	98567	31818
Endowment Assurance	3.75	HD68/72		14810	178	160	0.102	8283	1090	948	7335
Endowment Assurance	3.75	MK,FK'		1891	29	26	0.100	590	367	345	245
Pure Endowment				1664	16	15	0.104	939	148	129	810
Fixed Term	3.75	HD68/72		1127	15	13	0.137	553	182	156	397
Immediate Annuity				1 pa				8			8
Immediate Temporary Annuity				16 pa				233			233
Deferred Annuity	3.75	MR,FR		11160 pa	186	177	0.048	2974			2974
Sub total: With-Profits Policies				218688 11177 pa	13187	11672		143965	111466	100145	43820

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus		R52		3253947		GL		31 12 2004			£000		UK		L&GA		11	
Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves				
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
DIRECT WRITTEN INSURANCE BUSINESS																		
Investment and Life Plan	3.7		14612	24509	24509		4724			22634	22634			22634				
Lifetime Benefit Plan	3.7		5949	7531	7531		1782			6956	6956			6956				
Norwich With Profits Bond	3.7		8465	235387	235387					215147	215147			215147				
Norwich Capital Plan	3.7		22629	526912	526912					486619	486619			486619				
Bicentenary Bond	3.7		8604	274491	274491					250927	250927			250927				
New Bicentenary Bond	3.7		11503	409030	409030					373919	373919			373919				
Bicentenary Bond 99	3.7		18071	649887	649887					594100	594100			594100				
Norwich Bond 2000	3.7		3214	107741	107741					98492	98492			98492				
Flexi-Bond	3.7		15625	534856	534856					477044	477044			477044				
Long Term Care Bond	3.7		326	9747	9747					8782	8782			8782				
Norwich Savings Plan	3.7		16646	61807	61807		6402			57080	57080			57080				
Low Start Norwich Savings Plan	3.7		679	5578	5578		220			5152	5152			5152				
Flexible Mortgage Plus	3.7		19423	110033	110033		9614			101619	101619			101619				
Low Start Flexible Mortgage Plus	3.7		7708	39233	39233		4110			36232	36232			36232				
Flexible Mortgage with Lifetime Benefit Plan	3.7		4251	29241	29241		2457			27005	27005			27005				
New Flexible Mortgage Plus	3.7		4687	18554	18554		2402			17135	17135			17135				
Sub total: Direct Written Insurance Business			162392	3044537	3044537		31711			2778843	2778843			2778843				

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus		R52		3253947		GL		31 12 2004			£000		UK		L&GA		11	
Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves				
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
REASSURANCE ACCEPTED																		
NU Bond	3.7	C	110465	634384	634384					597451	597451			597451				
NU Bond 2000	3.7	C	10496	93152	93152					88663	88663			88663				
NU Flexibond	3.7	C	8135	47631	47631					45338	45338			45338				
NU Income Fund	3.7	C	17941	130118	130118					122235	122235			122235				
NU Homemaker Plus	3.7	C	2150	1284	1284		413			1302	1302			1302				
Joint Venture Bond	3.7	C	24146	60713	60713					57804	57804			57804				
Joint Venture Bond Income Fund	3.7	C	4397	16733	16733					15520	15520			15520				
NU Bond Step Down	3.7	C		3599	3599					3599	3599			3599				
NU Bond Level	3.7	C		4651	4651					4651	4651			4651				
NU Income Fund Step Down	3.7	C		913	913					864	864			864				
NU Income Fund Level	3.7	C		1893	1893					1808	1808			1808				
Sub total: Reassurance Accepted			177730	995071	995071		413			939235	939235			939235				
Net total: Life Assurance & General Annuity Insurance Business			340122	4039608	4039608		32124			3718078	3718078			3718078				

Long term insurance business : Valuation summary of accumulating with-profit policiesName of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R52	3253947	GL	31	12	2004	£000	UK	Pens	11
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Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS														
Personal Pension	4.3		341031	4083658	4083658		52189			4132380	4132380			4132380
Personal Pension GPPP	4.3		38688	390650	390650		28349			395311	395311			395311
Personal Pension 98 Series	4.3		19955	157589	157589		4377			159469	159469			159469
Personal Pension 98 Series GPPP	4.3		9433	68563	68563		9811			69381	69381			69381
NU GPPP 2000 Series	4.3		268	2204	2204		276			2230	2230			2230
Self-Invested Personal Pension	4.3		327	35373	35373					35795	35795			35795
Free-Standing AVC	4.3		7880	69158	69158		2671			69983	69983			69983
Managed Income Option & Phased Retirement Plan	4.3		130	16637	16637					16835	16835			16835
Trustee Investment Plan and Portability Plan	4.3		413	4661	4661					4717	4717			4717
TIP Investment	4.3		3	5575	5575					5641	5641			5641
Executive Pension	4.3		7943	322427	322427		9833			326274	326274			326274
Group Trustee Investment Plan and Portability Plan	4.3		2	4224	4224					4274	4274			4274
Group Money Purchase	4.3		30821	601067	601067		12484			608238	608238			608238
Group AVC	4.3		19337	115767	115767		3439			117148	117148			117148
Unitised Group Defined Benefit	4.3		229	495459	495459		26987			495459	495459			495459
Miscellaneous reserve												24581		24581

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R52	3253947	GL	31	12	2004	£000	UK	Pens	11
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 10	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Sub total: Direct Written Insurance Business			476460	6373012	6373012		150416			6443135	6443135	24581		6467716
REASSURANCE ACCEPTED														
NU Your Pension - Ind	4.3	C	30270	22566	22566		684			21900	21900			21900
NU Your Pension - Grp	4.3	C	16954	8541	8541		1615			8477	8477			8477
NU Your Pension Select - Ind	4.3	C	1505	659	659		39			641	641			641
NU Your Pension Select - Grp	4.3	C	681	164	164		37			163	163			163
NU Optimiser Personal Pension	4.3	C	3995	4102	4102		91			3957	3957			3957
NU Personal Pension Scheme	4.3	C		306	306		66			309	309			309
NU Executive & Directors Personal Pension	4.3	C	2408	3486	3486		405			3423	3423			3423
NU Free Standing AVC Plan	4.3	C	452	202	202		29			200	200			200
NU Pension Transfer Plan	4.3	C	765	7209	7209					7109	7109			7109
NU Self Invested Personal Pension	4.3	C	2770	49874	49874					47682	47682			47682
NU Group Pension Investment Bond	4.3	C	896	23623	23623					22456	22456			22456
NU Group AVC Plan	4.3	C	3264	2895	2895					2810	2810			2810
NU Variable Money Purchase Plan	4.3	C	16316	3932	3932					3817	3817			3817
NU Designer Personal Pension	4.3	C	19804	9003	9003		1670			8741	8741			8741
NU Your Pension Select - Ind (Post 6/4/01)	4.3	C	14288	17476	17476		859			17340	17340			17340

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R52	3253947	GL	31	12	2004	£000	UK	Pens	11
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 10	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
NU Your Pension Select - Grp (Post 6/4/01)	4.3	C	9494	6615	6615		1447			6600	6600			6600
NU Your Pension Select External Funds - Ind (Post 6/4/01)	4.3	C	669											
NU Your Pension Select External Funds - Grp (Post 6/4/01)	4.3	C	172											
Sub total: Reassurance Accepted			124703	160653	160653		6942			155625	155625			155625
Net total: Pension Insurance Business			601163	6533665	6533665		157358			6598760	6598760	24581		6623341

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Other Insurance Business**Category of surplus **With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R52	3253947	GL	31	12	2004	£000	UK	Other	11
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 10	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS ISA Investment Plan	4.3		2960	6653	6653		1201			6653	6653			6653
Sub total: Direct Written Insurance Business			2960	6653	6653		1201			6653	6653			6653
Net total: Other Insurance Business			2960	6653	6653		1201			6653	6653			6653
Net total: United Kingdom Insurance Business			944245	10579926	10579926		190683			10323491	10323491	24581		10348072

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus		R52		3253947		GL		31 12 2004			£000		OS		L&GA		11	
Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves				
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
DIRECT WRITTEN INSURANCE BUSINESS																		
Personal Pension	4.3		8494	130778	130778		5116			132213	132213			132213				
Personal Pension GPPP	4.3		1052	14666	14666		1064			14827	14827			14827				
Personal Pension 98 Series	4.3		1469	17183	17183		628			17371	17371			17371				
Personal Pension 98 Series GPPP	4.3		268	3985	3985		446			4029	4029			4029				
NU Designer Personal Pension	4.3		744	3547	3547		746			3586	3586			3586				
Jersey Investment Plan	4.3		2446	76854	76854		1670			77698	77698			77698				
Trustee Investment Plan and Portability Plan	4.3		48	515	515					521	521			521				
Tip Investment	4.3			1611	1611					1629	1629			1629				
Executive Pension	4.3		320	11029	11029		463			11150	11150			11150				
Group Money Purchase	4.3		747	14579	14579		301			14739	14739			14739				
Group AVC	4.3		268	1749	1749		85			1768	1768			1768				
Unitised Group Defined Benefit	4.3		31	50628	50628		4122			50628	50628			50628				
Miscellaneous reserve												138		138				
Sub total: Direct Written Insurance Business			15887	327124	327124		14641			330159	330159	138		330297				
REASSURANCE ACCEPTED																		
NU optimiser Personal Pension	4.3	C	1310	2466	2466		232			2430	2430			2430				

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
With Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus		R52		3253947		GL		31 12 2004			£000		OS		L&GA		11	
Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves				
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
NU Executive & Directors Personal Pension	4.3	C	289	536	536		133			534	534			534				
NU Self Invested Personal Pension	4.3	C	73	1831	1831					1739	1739			1739				
NU Group Pension Investment Bond	4.3	C	2	127	127					123	123			123				
NU International Investment Bond	4.3	C	443	8765	8765		11			8557	8557			8557				
NU International With Profit Bond	4.3	C	770	8495	8495					8170	8170			8170				
Sub total: Reassurance Accepted			2887	22220	22220		376			21553	21553			21553				
Net total: Life Assurance & General Annuity Insurance Business			18774	349344	349344		15017			351712	351712	138		351850				
Net total: Overseas Insurance Business			18774	349344	349344		15017			351712	351712	138		351850				

Long term insurance business : Valuation summary of accumulating with-profit policiesName of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus		R52		3253947		GL		31 12 2004			£000		UK		L&GA		12	
Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves				
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
DIRECT WRITTEN INSURANCE BUSINESS																		
Whole life assurance:																		
Investment and Life Plan	3.50	A67/70-1			972969		331					31		31				
Lifetime Benefit Plan	3.50	A67/70-1			328613		99					3		3				
Norwich With Profits Bond	3.50	A67/70-1			2711							26		26				
Norwich Capital Plan	3.50	A67/70-1			5401							150		150				
Bicentenary Bond	3.50	A67/70-1			5383							20		20				
New Bicentenary Bond	3.50	A67/70-1			10679							11		11				
Bicentenary Bond 99	3.50	A67/70-1			15508							15		15				
Norwich Bond 2000	3.50	A67/70-1			868							1		1				
Flexi-Bond	3.50	A67/70-1			5392							11		11				
Endowment insurance:																		
Norwich Savings Plan	3.50	A67/70-1		8209	12408		340					1		1				
Low Start Norwich Savings Plan	3.50	A67/70-1		192	798		24											
Flexible Mortgage Plus	3.50	A67/70-1		309067	309067		719					106		106				
Low Start Flexible Mortgage Plus	3.50	A67/70-1		213510	213510		1846					1429		1429				
Flexible Mortgage with Lifetime Benefit Plan	3.50	A67/70-1		97218	97218		550					295		295				
New Flexible Mortgage Plus	3.50	A67/70-1		144163	144163		1845					1571		1571				

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus		R52		3253947		GL		31 12 2004			£000		UK		L&GA		12	
Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves				
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
Sub total: Direct Written Insurance Business				772359	2124688		5754					3670		3670				
REASSURANCE CEDED																		
Whole life assurance:																		
Investment and Life Plan	A67/70-1				972969		83					21		21				
Lifetime Benefit Plan	A67/70-1				328613		5					1		1				
Norwich With Profits Bond	A67/70-1				2711							21		21				
Norwich Capital Plan	A67/70-1				5401							44		44				
Bicentenary Bond	A67/70-1				5383							19		19				
New Bicentenary Bond	A67/70-1				10679							8		8				
Bicentenary Bond 99	A67/70-1				15508							10		10				
Norwich Bond 2000	A67/70-1				868							1		1				
Flexi-Bond	A67/70-1				5392							5		5				
Endowment insurance:																		
Norwich Savings Plan	A67/70-1			8209	12408		3					1		1				
Low Start Norwich Savings Plan	A67/70-1			192	798													
Flexible Mortgage Plus	A67/70-1			309067	309067		213					53		53				
Low Start Flexible Mortgage Plus	A67/70-1			213510	213510		1630					407		407				
Flexible Mortgage with Lifetime Benefit Plan	A67/70-1			97218	97218		420					105		105				

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus		R52		3253947		GL		31 12 2004			£000		UK		L&GA		12	
Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves				
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
New Flexible Mortgage Plus		A67/70-1		144163	144163		1719					430		430				
Sub total: Reassurance Ceded				772359	2124688		4073					1126		1126				
Net total: Life Assurance & General Annuity Insurance Business							1681					2544		2544				

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R52	3253947	GL	31	12	2004	£000	UK	Pens	12
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Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DIRECT WRITTEN INSURANCE BUSINESS														
Pure endowment insurance:														
Personal Pension	4.30	A67/70-1		39710	39710		2709					38963	1295	40258
Personal Pension GPPP	4.30	A67/70-1		20833	20833		1417					13366	366	13732
Personal Pension 98 Series	4.30	A67/70-1					230					1116		1116
Personal Pension 98 Series GPPP	4.30	A67/70-1					516					2711		2711
NU GPPP 2000 Series	4.30	A67/70-1					15					4		4
Self-Invested Personal Pension	4.30	A67/70-1		1415	1415							198		198
Free-Standing AVC	4.30	A67/70-1		3279	3279		141					407		407
Managed Income Option & Phased Retirement Plan	4.30	A67/70-1		664	664									
Trustee Investment Plan and Portability Plan	4.30	A67/70-1		223	223							147		147
TIP Investment	4.30	A67/70-1		392	392							1		1
Group pure endowment insurance:														
Group Money Purchase	4.30	A67/70-1		24095	24095		657					54360		54360
Group AVC	4.30	A67/70-1		4639	4639		181					15685		15685
Executive Pension	4.30	A67/70-1		20124	20124		518					1709		1709
Sub total: Direct Written Insurance Business				115374	115374		6384					128667	1661	130328

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R52	3253947	GL	31	12	2004	£000	UK	Pens	12
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Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
REASSURANCE ACCEPTED														
Stakeholder NU Your Pension - Individual	4.30	AMF92 ult										1170		1170
Stakeholder NU Your Pension - Group	4.30	AMF92 ult										154		154
Sub total: Reassurance Accepted												1324		1324
REASSURANCE CEDED														
Personal Pension		0											1295	1295
Personal Pension GPPP		0											366	366
Sub total: Reassurance Ceded													1661	1661
Net total: Pension Insurance Business				115374	115374		6384					129991		129991
Net total: United Kingdom Insurance Business				115374	115374		8065					132535		132535

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus		R52		3253947		GL		31 12 2004			£000		OS		L&GA		12	
Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves				
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
DIRECT WRITTEN INSURANCE BUSINESS																		
Pure endowment insurance:																		
Personal Pension	4.30	A67/70-1		5481	5481		269					883		883				
Personal Pension GPPP	4.30	A67/70-1		1176	1176		56					617		617				
Personal Pension 98 Series	4.30	A67/70-1					33					116		116				
Personal Pension 98 Series GPPP	4.30	A67/70-1					23					79		79				
NU Designer Personal Pension	4.30	A67/70-1					39					21		21				
Jersey Investment Plan	4.30	A67/70-1		3074	3074		88					21		21				
Trustee Investment Plan and Portability Plan	4.30	A67/70-1		39	39							30		30				
Tip Investment		A67/70-1																
Group pure endowment insurance:																		
Group Money Purchase	4.30	A67/70-1		583	583		16					1562		1562				
Group AVC	4.30	A67/70-1		70	70		4					299		299				
Executive Pension	4.30	A67/70-1		645	645		24					94		94				
Sub total: Direct Written Insurance Business				11068	11068		552					3722		3722				
REASSURANCE CEDED																		
Personal Pension		A67/70-1											136	136				

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R52	3253947	GL	31	12	2004	£000	OS	L&GA	12
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Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Personal Pension GPPP		A67/70-1											32	32
Sub total: Reassurance Ceded													168	168
Net total: Life Assurance & General Annuity Insurance Business				11068	11068		552					3722	(168)	3554
Net total: Overseas Insurance Business				11068	11068		552					3722	(168)	3554

Long term insurance business : Valuation summary of accumulating with-profit policies

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Stakeholder**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R52	3253947	GL	31	12	2004	£000	UK	Pens	13
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Type of insurance or name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Proportion of office premiums reserved for expenses and profits 10	Liability in respect of current benefits including vested bonuses		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
REASSURANCE ACCEPTED														
Stakeholder NU Your Pension - Ind	4.3	C	52913	53744	53744		4412			53784	53784			53784
Stakeholder NU Your Pension - Grp	4.3	C	23687	15346	15346		3894			15348	15348			15348
Stakeholder NU Designer Personal Pension	4.3	C	5979	3770	3770		721			3774	3774			3774
Stakeholder NU Your Pension External Funds - Ind	4.3	C	145											
Stakeholder NU Your Pension External Funds - Grp	4.3	C	15											
Sub total: Reassurance Accepted			82739	72860	72860		9027			72906	72906			72906
Net total: Pension Insurance Business			82739	72860	72860		9027			72906	72906			72906
Net total: United Kingdom Insurance Business			82739	72860	72860		9027			72906	72906			72906

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	L&GA	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Whole life assurance:														
Norwich Investment Bond	3.5	A67/70-1	4606		118629					117575	117575	77		117653
Norwich Reinvestment Bond	3.5	A67/70-1	2483		47014					46596	46596	21		46617
Capital Investment Bond	3.5	A67/70-1	10996		182099					180471	180471	124		180595
Capital Reinvestment Bond	3.5	A67/70-1	1061		21528					21331	21331	9		21340
Norwich Life Investment Policy and Lifevestor Policy	3.5	A67/70-1	1215	6814	15027		220			14655	14655	51		14706
Norwich Tenvestor Policy	3.5	A67/70-1	782	1347	15565		207			15462	15462	16		15478
Investment and Life Plan	3.5	A67/70-1	6634		492877		2697			25900	25900	37		25937
Norwich Investment Portfolio	3.5	A67/70-1	10413		195428					194085	194085	105		194191
Endowment insurance:														
Norwich Units	3.2	A67/70-1	66	224	1485		5	5		1444	1444	190		1634
Capital Accumulator Plan	3.5	A67/70-1	487	2247	13002		384			12458	12458			12458
Flexible Mortgage Plan	3.5	A67/70-1	2834	102122	102122		2036			35500	35500	1		35502
Low Start Flexible Mortgage Plan	3.5	A67/70-1	448	21088	21088		434			6486	6486			6486
Whole life assurance (Unitised series):														

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	L&GA	12
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Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Norwich Capital Plan	3.5	A67/70-1	5394		100345					99624	99624	77		99701
Investment and Life Plan	3.5	A67/70-1	9682	661873	661873		3115			13774	13774	18		13792
Lifetime Benefit Plan	3.5	A67/70-1	5093		295286		1653			5935	5935	3		5938
Managed Portfolio	3.5	A67/70-1	2429	58696	58696					58341	58341			58341
Flexi-bond	3.5	A67/70-1	6513	147061	147061					146156	146156			146156
Bicentenary Bond 99	3.5	A67/70-1	2521	52009	55071					51769	51769	20		51789
Endowment insurance (Unitised series):														
Norwich Savings Plan	3.5	A67/70-1	7904	34074	34202		3246			25404	25404	1		25405
Low Start Norwich Savings Plan	3.5	A67/70-1	355	2592	2592		192			2177	2177			2177
Flexible Mortgage Plus	3.5	A67/70-1	7627	126465	126465		3146			32122	32122	38		32160
Low Start Flexible Mortgage Plus	3.5	A67/70-1	4515	147197	147197		3513			19881	19881	751		20633
Flexible Mortgage Plus with Lifetime Benefit	3.5	A67/70-1	2169	54236	54236		1296			12058	12058	184		12242
New Flexible Mortgage Plus	3.5	A67/70-1	3874	161606	161606		3965			16352	16352	1424		17776
Stand-alone Critical Illness Plan	3.5		2898	248979	248979		1017			1647	1647			1647
Critical Illness (attaching to other assurances)				505972	505972		576							

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance Business**
Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	L&GA	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Sub total: Non-Profit Policies			102999	2334602	3825445		27702	5		1157203	1157203	3147		1160354
Sub total: Direct Written Insurance Business			102999	2334602	3825445		27702	5		1157203	1157203	3147		1160354
REASSURANCE ACCEPTED Non-Profit Policies														
Nu Bond	3.5	AMF92 ult	64093	5617	626850					622449	622449	(21016)		601433
NU Flexibond	3.5	AMF92 ult	3109		43416					43416	43416	(575)		42842
NU Bond 2000	3.5	AMF92 ult	12741	2091	119558					117657	117657	(3934)		113723
NU Bond Step Down Option	3.5	AMF92 ult	27463		1279057					1274865	1274865	(61324)		1213541
NU Bond Level Option	3.5	AMF92 ult	29308		761888					759493	759493	(30446)		729048
NU UL Mortgage endowment	3.5	AMF92 ult	869	47208	47208		560			1424	1424	30		1454
Miscellaneous Rider Benefits			495		841 pa		15					1		1
Sub total: Non-Profit Policies			138078	54916	2877977 841 pa		575			2819304	2819304	(117264)		2702042
Sub total: Reassurance Accepted			138078	54916	2877977 841 pa		575			2819304	2819304	(117264)		2702042

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

Category of surplus			R53	3253947	GL	31	12	2004	£000	UK	L&GA	12		
Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Norwich Capital Plan	3.5	A67/70-1			100345					99624	99624	5		99629
Investment and Life Plan	3.5	A67/70-1		661873	661873		3115			13774	13774	14		13788
Lifetime Benefit Plan	3.5	A67/70-1			295286		1653			5935	5935	2		5937
Managed Portfolio	3.5	A67/70-1		58696	58696					58341	58341			58341
Flexi-bond	3.5	A67/70-1		147061	147061					146156	146156			146156
Bicentenary Bond 99	3.5	A67/70-1		52009	55071					51769	51769	1		51770
NU Bond	3.5				622449					622449	622449			622449
NU Flexibond	3.5				43416					43416	43416			43416
NU Bond 2000	3.5				117657					117657	117657			117657
NU Bond Step Down Option	3.5				1274865					1274865	1274865			1274865
NU Bond Level Option	3.5				759493					759493	759493			759493
NU UL Mortgage endowment	3.5				1424		532			1424	1424			1424
Miscellaneous Rider Benefits					841 pa		15					1		1
Endowment insurance (Unitised series):														
Norwich Savings Plan	3.5	A67/70-1		34074	34202		3246			25404	25404	1		25405
Low Start Norwich Savings Plan	3.5	A67/70-1		2592	2592		192			2177	2177			2177
Flexible Mortgage Plus	3.5	A67/70-1		126465	126465		3146			32122	32122	18		32140
Low Start Flexible Mortgage Plus	3.5	A67/70-1		147197	147197		3513			19881	19881	181		20062

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	L&GA	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Flexible Mortgage Plus with Lifetime Benefit	3.5	A67/70-1		54236	54236		1296			12058	12058	38		12097
New Flexible Mortgage Plus	3.5	A67/70-1		161606	161606		3965			16352	16352	291		16643
Stand-alone Critical Illness Plan	3.5			248979	248979		1017			1647	1647			1647
Critical Illness (attaching to other assurances)	3.5			505972	505972		576							
Sub total: Non-Profit Policies				2334602	6644749		28249	5		3976507	3976507	837		3977348
Sub total: Reassurance Ceded				2334602	6644749		28249	5		3976507	3976507	837		3977348
Net total: Life Assurance & General Annuity Insurance Business			241077	54916	58673		28					(114954)		(114952)

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	Pens	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Pure endowment insurance:														
Individual Retirement Plan	4.3	A67/70-1	1372	1877	28622		337			28622	28622	38		28660
Executive Retirement Plan	4.3	A67/70-1	4	182	324		12			256	256			256
Personal Pension	4.3	A67/70-1	138981		1436353		24209			1424038	1424038	15149	881	1440067
Personal Pension GPPP	4.3	A67/70-1	28882		278225		17635			236408	236408	12012	367	248788
Personal Pension 98 Series	4.3	A67/70-1	45470		384026		15558			384026	384026	4492		388518
Personal Pension 98 Series GPPP	4.3	A67/70-1	20192		180527		35382			180527	180527	9263		189790
NU GPPP 2000 Series	4.3	A67/70-1	2162		18917		3422			18917	18917	67		18983
Self-Invested Personal Pension	4.3	A67/70-1	550		60724					60724	60724	140		60863
Free-Standing AVC	4.3	A67/70-1	5228		36439		1820			35685	35685	259		35944
Mortgage Income Option & Phased Retirement Plan	4.3	A67/70-1	161		18120					18120	18120			18120
Trustee Investment Plan and Portability Plan	4.3	A67/70-1	77		1683					1655	1655	29		1684
TIP Investment	4.3	A67/70-1	3		6531					6531	6531	4		6535
Deferred Guarantee Annuity (Pensionvestor)	4.4		2202		70697		725			70697	70697		52752	123449

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory of
surplus

R53	3253947	GL	31	12	2004	£000	UK	Pens	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Group pure endowment insurance:														
Group Pension Investment Plan	4.3		13		1241					1241	1241			1241
Group Money Purchase	4.3		5858		167563		1835			167563	167563	15851		183413
Personal Pension														
Group AVC	4.3	A67/70-1	261		24606		613			24589	24589	1715		26304
Executive Pension	4.3	A67/70-1	6282		164771		8259			156006	156006	720		156726
Sub total: Non-Profit Policies			257698		2059		2879369			2815605	2815605	59739	54000	2929341
Sub total: Direct Written Insurance Business			257698		2059		2879369			2815605	2815605	59739	54000	2929341
REASSURANCE ACCEPTED Non-Profit Policies														
NU Personal Pension Scheme	4.3	AMF92 ult	3337	10	8370		3352			8362	8362	105		8466
NU Executive & Directors Personal Pension	4.3	AMF92 ult	2916	6582	59272		19983			53598	53598	(288)		53310
NU Free Standing AVC Plan	4.3	AMF92 ult	406		5549		1197			5549	5549	(40)		5510
NU Personal Transfer Plan	4.3	AMF92 ult	1559		42264					42264	42264	(1231)		41033

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	Pens	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
NU Self Invested Personal Pension	4.3	AMF92 ult	4476		631569					631568	631568	(26644)		604924
NU Group Pension Investment Bond	4.3		983							111548	111548	(5762)		105787
NU Designer Personal Pension	4.3	A67/70-1	63188		338596		85825			338596	338596	3684		342280
NU Group AVC and Variable Money Purchase Plan	4.3	A67/70-1	6720		31355					31355	31355	271		31626
NU Group AVC and Variable Money Purchase Plan (Mono Change)	4.3	A67/70-1	38323		216044					216044	216044	4713		220758
NU Group AVC and Variable Money Purchase Plan Millenium Series	4.3	A67/70-1												
NU Your Pension Select - Individual	4.3	AMF92 ult	28249		604014		34567			604014	604014	540		604554
NU Your Pension Select - Group	4.3	AMF92 ult	11798		52311		16996			52311	52311	404		52715
NU Your Pension Select External Funds - Individual	4.3	AMF92 ult	2263		63009		3945			63009	63009	46		63055
NU Your Pension Select External Funds - Group	4.3	AMF92 ult	207		2074		631			2074	2074	8		2082
Stakeholder NU Your Pension - Individual	4.3	AMF92 ult	117690		1298620		81990			1298620	1298620	2323		1300943
Stakeholder NU Your Pension - Group	4.3	AMF92 ult	30424		87393		28312			87393	87393	715		88107
Stakeholder NU Your Pension Select External Funds - Individual	4.3	AMF92 ult	225		5279		245			5279	5279	5		5284

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory of
surplus

R53	3253947	GL	31	12	2004	£000	UK	Pens	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Stakeholder NU Your Pension Select External Funds - Group	4.3	AMF92 ult	26		182		75			182	182	1		183
Stakeholder NU Designer Personal Pension	4.3	A67/70-1	35764		133542		28547			133542	133542	3420		136963
Sub total: Non-Profit Policies			348554		6592		3579443			3685308	3685308	(17730)		3667580
Sub total: Reassurance Accepted			348554		6592		3579443			3685308	3685308	(17730)		3667580
REASSURANCE CEDED														
Non-Profit Policies														
Individual Retirement Plan	4.3	A67/70-1			28622		303			28622	28622			28622
Executive Retirement Plan	4.3	A67/70-1			256		11			256	256			256
Personal Pension	4.3	A67/70-1			1424038		21788			1424038	1424038		881	1424919
Personal Pension GPPP	4.3	A67/70-1			236408		15871			236408	236408		367	236775
Personal Pension 98 Series	4.3	A67/70-1			384026		14002			384026	384026			384026
Personal Pension 98 Series GPPP	4.3	A67/70-1			180527		31843			180527	180527			180527
NU GPPP 2000 Series	4.3	A67/70-1			18917		3080			18917	18917			18917
Self-Invested Personal Pension	4.3	A67/70-1			60724					60724	60724			60724

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	Pens	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Free-Standing AVC	4.3	A67/70-1			35685		1638			35685	35685			35685
Mortgage Income Option & Phased Retirement Plan	4.3	A67/70-1			18120					18120	18120			18120
Trustee Investment Plan and Portability Plan	4.3	A67/70-1			1655					1655	1655			1655
TIP Investment	4.3	A67/70-1			6531					6531	6531			6531
Deferred Guarantee Annuity (Pensionvestor)	4.4				70697		725			70697	70697			70697
NU Personal Pension Scheme	4.3	AMF92 ult			8362		3017			8362	8362			8362
NU Executive & Directors Personal Pension	4.3	AMF92 ult			53598		17984			53598	53598			53598
NU Free Standing AVC Plan	4.3	AMF92 ult			5549		1077			5549	5549			5549
NU Personal Transfer Plan	4.3	AMF92 ult			42264					42264	42264			42264
NU Self Invested Personal Pension	4.3	AMF92 ult			631568					631568	631568			631568
NU Group Pension Investment Bond	4.3				111548					111548	111548			111548
NU Designer Personal Pension	4.3	A67/70-1			338596		77242			338596	338596			338596
NU Group AVC and Variable Money Purchase Plan	4.3	A67/70-1			31355					31355	31355			31355
NU Group AVC and Variable Money Purchase Plan (Mono Change)	4.3	A67/70-1			216044					216044	216044			216044

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	Pens	12
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Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NU Group AVC and Variable Money Purchase Plan Millenium Series	4.3	A67/70-1												
NU Your Pension Select - Individual	4.3	AMF92 ult			604014		31110			604014	604014			604014
NU Your Pension Select - Group	4.3	AMF92 ult			52311		15297			52311	52311			52311
NU Your Pension Select External Funds - Individual	4.3	AMF92 ult			63009		3550			63009	63009			63009
NU Your Pension Select External Funds - Group	4.3	AMF92 ult			2074		568			2074	2074			2074
Executive Pension	4.3	A67/70-1			156006		7433			156006	156006			156006
Group Pension Investment Plan	4.3				1241					1241	1241			1241
Group Money Purchase	4.3				167563		1652			167563	167563			167563
Group AVC	4.3	A67/70-1			24589		552			24589	24589			24589
Stakeholder NU Your Pension - Individual	4.3	AMF92 ult			1298620		73791			1298620	1298620			1298620
Stakeholder NU Your Pension - Group	4.3	AMF92 ult			87393		25481			87393	87393			87393
Stakeholder NU Your Pension Select External Funds - Individual	4.3	AMF92 ult			5279		220			5279	5279			5279
Stakeholder NU Your Pension Select External Funds - Group	4.3	AMF92 ult			182		68			182	182			182
Stakeholder NU Designer Personal Pension	4.3	A67/70-1			133542		25692			133542	133542			133542

Long term insurance business : Valuation summary of property linked contractsName of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	Pens	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Sub total: Non-Profit Policies					6500913		373995			6500913	6500913		1248	6502161
Sub total: Reassurance Ceded					6500913		373995			6500913	6500913		1248	6502161
Net total: Pension Insurance Business			606252	8651	(42101)		41477					42009	52752	94760

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Other Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	Other	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Whole life assurance (Unitised series): ISA Investment Plan	3.5	A67/70-1	1521				503			2861	2861			2861
Sub total: Non-Profit Policies			1521				503			2861	2861			2861
Sub total: Direct Written Insurance Business			1521				503			2861	2861			2861
REASSURANCE CEDED Non-Profit Policies														
Whole life assurance (Unitised series): ISA Investment Plan	3.5	A67/70-1					503			2861	2861			2861
Sub total: Non-Profit Policies							503			2861	2861			2861
Sub total: Reassurance Ceded							503			2861	2861			2861

Long term insurance business : Valuation summary of property linked contractsName of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Other Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	UK	Other	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Net total: Other Insurance Business			1521											
Net total: United Kingdom Insurance Business			848850	63567	16572		41505					(72945)	52752	(20192)

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance Business**
Category of surplus **Non Profit**

Company registration number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of business

Category of surplus

R53	3253947	GL	31	12	2004	£000	OS	L&GA	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Pure endowment insurance:														
Jersey Investment Plan	4.3	A67/70-1	307	3871	3871		192			3871	3871	2		3874
Personal Pension 98 Series	4.3	A67/70-1	1386	13698	13698		1168			13698	13698	124		13822
Personal Pension 98 Series Gppp	4.3	A67/70-1	205	1433	1433		361			1433	1433	107		1540
NU Designer Personal Pension	4.3	A67/70-1	2732	17562	17562		5031			17562	17562	138		17700
TIP Investment	4.3	A67/70-1		749	749					749	749			749
Executive Pension	4.3	A67/70-1	37	819	819		106			490	490	12		502
Sub total: Non-Profit Policies			4667	38132	38132		6858			37803	37803	383		38187
Sub total: Direct Written Insurance Business			4667	38132	38132		6858			37803	37803	383		38187
REASSURANCE ACCEPTED Non-Profit Policies														
NU Optimiser Personal Pension	4.3	AMF92 ult	2711		16690		3386			16690	16690	(3)		16688

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	OS	L&GA	12
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Name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link	Unit liability		Other liabilities		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table		Guaranteed on death	Current on death/current payable per annum	Guaranteed on maturity	Office premiums	Net premiums		Current benefit value	Discounted value	Mortality and expenses	Options and guarantees other than investment performance guarantees	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NU Executive & Directors Personal Pension	4.3	AMF92 ult	844	274	3707		1599			3443	3443	15		3458
NU Self Invested Personal Pension	4.3	AMF92 ult	13		7					7	7			7
NU Group Pension Investment Bond	4.3		22							1522	1522	(69)		1453
NU International Investment Plan			212		391		32			391	391	(2)		389
Miscellaneous Rider Benefits			327		971 pa		17					1		1
Sub total: Non-Profit Policies			4129	274	20795 971 pa		5034			22053	22053	(58)		21996
Sub total: Reassurance Accepted			4129	274	20795 971 pa		5034			22053	22053	(58)		21996
REASSURANCE CEDED														
Non-Profit Policies														
Pure endowment insurance:														
Jersey Investment Plan	3.5			3871	3871		173			3871	3871			3871
Personal Pension 98 Series	3.5			13698	13698		1051			13698	13698			13698
Personal Pension 98 Series Gppp	3.5			1433	1433		325			1433	1433			1433

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance Business**
Category of surplus **Non Profit**

Company registration number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of business

Category of surplus

R53	3253947	GL	31	12	2004	£000	OS	L&GA	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
NU Designer Personal Pension	3.5			17562	17562		4528			17562	17562			17562
TIP Investment	3.5			749	749					749	749			749
NU Optimiser Personal Pension	3.5				16690		3217			16690	16690			16690
NU Executive & Directors Personal Pension	3.5				3707		1519			3443	3443			3443
NU Self Invested Personal Pension	3.5				7					7	7			7
NU Group Pension Investment Bond	3.5									1522	1522			1522
NU International Investment Plan					391		31			391	391			391
Miscellaneous Rider Benefits					971 pa		16					1		1
Executive Pension	3.5				819		96			490	490			490
Sub total: Non-Profit Policies				37313	58927		10956			59856	59856	1		59857
Sub total: Reassurance Ceded				37313	58927		10956			59856	59856	1		59857
Net total: Life Assurance & General Annuity Insurance Business			8796	1093			936					324		326

Long term insurance business : Valuation summary of property linked contractsName of insurer **Norwich Union Life & Pensions Limited**

Global business

Overseas business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	3253947	GL	31	12	2004	£000	OS	L&GA	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
Net total: Overseas Insurance Business			8796	1093		936					324		326	

Long term insurance business : Valuation summary of index linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Life Assurance & General Annuity Insurance
Business
Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R54	3253947	GL	31	12	2004	£000	UK	L&GA	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Name of index link 10	Investment liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Annuity in payment (Index-linked)	1.437	IMA/IFA80	3		5 pa							66		66
Annuity in payment (Long term care - Index-linked)	1.437	IMA/IFA80	34		430 pa							1540		1540
Sub total: Non-Profit Policies			37		435 pa							1606		1606
Sub total: Direct Written Insurance Business			37		435 pa							1606		1606
REASSURANCE CEDED Non-Profit Policies														
Annuity in payment (Index-linked)	1.437	IMA/IFA80			5 pa							66		66
Annuity in payment (Long term care - Index-linked)	1.437	IMA/IFA80			430 pa							1540		1540
Sub total: Non-Profit Policies					435 pa							1606		1606
Sub total: Reassurance Ceded					435 pa							1606		1606

Long term insurance business : Valuation summary of index linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Pension Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R54	3253947	GL	31	12	2004	£000	UK	Pens	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Name of index link 10	Investment liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Annuity In Payment (Index-linked)	1.922	PMA/PFA80	9111		14346 pa							282226		282226
Annuity Certain			23		116 pa							118		118
Reversionary Annuity			95		15 pa							86		86
Sub total: Non-Profit Policies			9229		14477 pa							282430		282430
Sub total: Direct Written Insurance Business			9229		14477 pa							282430		282430
REASSURANCE CEDED Non-Profit Policies														
Annuity In Payment (Index-linked)	1.922	PMA/PFA80			14346 pa							282226		282226
Annuity Certain					116 pa							118		118
Reversionary Annuity					15 pa							86		86
Sub total: Non-Profit Policies					14477 pa							282430		282430
Sub total: Reassurance Ceded					14477 pa							282430		282430

Long term insurance business : Valuation summary of index linked contracts

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**Type of business **Permanent Health Insurance Business**Category of surplus **Non Profit**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R54	3253947	GL	31	12	2004	£000	UK	PHI	12
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Name of index link 10	Investment liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Safeguard: DLR (indexed)	2.000	see text										31504		31504
PHI: DLR (indexed)	2.000	see text										10658		10658
Group LAP: DLR (indexed)	2.000	see text										209		209
Corporate Safeguard: DLR (indexed)	2.000	see text										3319		3319
Corporate PHI: DLR (indexed)	2.000	see text										11011		11011
Sub total: Non-Profit Policies												56701		56701
Sub total: Direct Written Insurance Business												56701		56701
Net total: Permanent Health Insurance Business												56701		56701
Net total: United Kingdom Insurance Business			9266									56701		56701

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

(Sheet 1)

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

United Kingdom business

Financial year ended **31st December 2004**

Category of surplus **Non Profit**

Internal linked fund

		Company registration number		GL/UK/CM		Period ended			Units	UK/OS	Category of surplus	IL/DH
		R55	3253947	GL	31	12	2004	£000	UK	12	ILH	
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)			
							Gross	Reinsurance ceded				
1	2	3	4	5	6	7	8	9	10			
Wholly Reinsured							10480283	10480283				
Sub total: Wholly Reinsured							10480283	10480283				

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **Norwich Union Life & Pensions Limited**

(Sheet 2)

Global business

Overseas business

Financial year ended **31st December 2004**

Category of surplus **Non Profit**

Internal linked fund

		Company registration number	GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH	
		R55	3253947	GL	31	12	2004	£000	OS	12	ILH
					day	month	year				
Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)		
							Gross	Reinsurance ceded			
1	2	3	4	5	6	7	8	9	10		
Wholly Reinsured							59586	59586			
Sub total: Wholly Reinsured							59586	59586			
Total: Non Profit							10539869	10539869			

Long-term insurance business - analysis of valuation interest rates

Name of insurer **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**Category of surplus **With Profit**

Product group	Company registration number	GL/UK/CM	Period ended			Units	Category of surplus	
			day	month	year			
	R57	3253947	GL	31	12	2004	£000	11
	1	2	3	4	5			
UK L&GA WP Form 51		6239233		3.40				3.93
UK Pens WP Form 51		4632522				4.30		4.64
UK Pens WP Form 51 With Profit Annuities		143276				2.00		4.64
UK Pens NP Form 51		626078				4.00		4.35
OS L&GA WP Form 51		140939		3.40				3.93
OS L&GA WP Form 51 Pensions		175846				4.30		4.64
Misc Form 51		119045						
UK L&GA WP Form 52		3815978		3.70				3.93
UK Pens WP Form 52		6850724				4.30		4.64
OS L&GA WP Form 52		364910				4.30		4.64
Misc Form 52		31581						
Total: With Profit		23140132						

Long-term insurance business - analysis of valuation interest rates

Name of insurer **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**Category of surplus **Non Profit**

Product group	Company registration number	GL/UK/CM	Period ended			Units	Category of surplus	
			day	month	year			
1	R57	3253947	GL	31	12	2004	£000	12
			Net mathematical reserves	Net valuation interest rate		Gross valuation interest rate		Risk adjusted yield on matching assets
UK L&GA NP Form 51 assurances			99762					3.46
UK L&GA NP Form 51 assurances			102252		3.20			3.76
UK Pens NP Form 51 assurances			28338					4.32
UK Pens NP Form 51 assurances			6208			4.00		5.22
UK Pens NP Form 51 annuities			584000			4.40		5.22
UK PHI NP Form 51 PHI			166980					4.32
UK PHI NP Form 51 PHI ALR			132190			3.75		4.74
UK PHI NP Form 51 PHI critical illness			31146			4.00		4.71
UK PHI NP Form 51 PHI DLR			79656			4.50		5.43
OS L&GA NP Form 51 assurances			2431		3.20			3.76
UK L&GA NP Form 52 assurances			2545		3.50			3.78
UK Pens NP Form 52 assurances			129991			4.30		4.73
OS L&GA NP Form 52 assurances			3554			4.30		4.73
UK L&GA NP Form 53 assurances			1634		3.20			4.73
UK L&GA NP Form 53 assurances			-116584		3.50			4.73
UK Pens NP Form 53 assurances			42007			4.30		4.73
UK Pens NP Form 53 annuities			52752			4.40		4.71
OS L&GA NP Form 53 assurances			327			4.30		4.73
UK PHI NP Form 54 IL			56701			2.00		2.10
Misc			78690		n/a		n/a	4.00
Total: Non Profit			1484580					

Long-term insurance business - analysis of valuation interest ratesName of insurer **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**Category of surplus **Stakeholder**

	Company registration number	GL/UK/CM	Period ended			Units	Category of surplus	
			day	month	year			
	R57	3253947	GL	31	12	2004	£000	13
Product group		Net mathematical reserves	Net valuation interest rate			Gross valuation interest rate		Risk adjusted yield on matching assets
1		2	3			4		5
UK Pens WP Form 52		75325				4.30		4.64
Total: Stakeholder		75325						

Long term insurance business : Valuation result and distribution of surplus

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

Category
of surplusCategory of surplus **With Profit**

R58	3253947	GL	31	12	2004	£000	11
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Valuation result	Fund carried forward		11	23566896
	Bonus payments made to policyholders in anticipation of a surplus		12	153899
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	21861
		Transfer to other funds/parts of funds	14	
	Net transfer out of funds/parts of funds (13+14)		15	21861
	Total (11+12+15)		16	23742656
	Mathematical reserves for accumulating with profit policies		17	10699922
	Mathematical reserves for other non linked contracts		18	12055532
	Mathematical reserves for property linked contracts		19	
	Mathematical reserves for index linked contracts		20	
	Total (17 to 20)		21	22755454
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29	987202
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31	535712
	Transfers into fund/part of fund	Transfer from non-technical account	32	
		Transfer from other funds/parts of fund	33	
	Net transfer into fund/part of fund (32+33)		34	
	Surplus arising since the last valuation		35	451490
Total (31+34+35)		39	987202	
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41	153899
	Allocated to policyholders by way of	Cash bonuses	42	
		Reversionary bonuses	43	384678
		Other bonuses	44	
		Premium reductions	45	
	Total allocated to policyholders (41 to 45)		46	538577
	Net transfer out of fund/part of fund		47	21861
	Total distributed surplus (46+47)		48	560438
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49	426764
Total (48+49)		59	987202	
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61	96.10
Corresponding percentage at three immediately previous valuations	Latest	(year of valuation 2003)	62	95.14
	Earlier	(year of valuation 2002)	63	95.30
	Earliest	(year of valuation 2001)	64	95.39

Long term insurance business : Valuation result and distribution of surplus

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

Category
of surplusCategory of surplus **Non Profit**

R58	3253947	GL	31	12	2004	£000	12
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		R58	3253947	GL	31	12	2004	£000	12	
Valuation result	Fund carried forward				11	1484579				
	Bonus payments made to policyholders in anticipation of a surplus				12					
	Transfers out of fund/ parts of fund	Transfer to non-technical account				13	128400			
		Transfer to other funds/parts of funds				14				
	Net transfer out of funds/parts of funds (13+14)				15	128400				
	Total (11+12+15)				16	1612979				
	Mathematical reserves for accumulating with profit policies				17	136089				
	Mathematical reserves for other non linked contracts				18	1311655				
	Mathematical reserves for property linked contracts				19	(19866)				
	Mathematical reserves for index linked contracts				20	56701				
	Total (17 to 20)				21	1484579				
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)				29	128400				
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation				31	165001				
	Transfers into fund/part of fund	Transfer from non-technical account				32				
		Transfer from other funds/parts of fund				33				
	Net transfer into fund/part of fund (32+33)				34					
	Surplus arising since the last valuation				35	(36601)				
Total (31+34+35)				39	128400					
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus				41					
	Allocated to policyholders by way of	Cash bonuses				42				
		Reversionary bonuses				43				
		Other bonuses				44				
		Premium reductions				45				
	Total allocated to policyholders (41 to 45)				46					
	Net transfer out of fund/part of fund				47	128400				
	Total distributed surplus (46+47)				48	128400				
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated				49					
Total (48+49)				59	128400					
Percentage of distributed surplus allocated to policyholders of fund/part of fund					61					
Corresponding percentage at three immediately previous valuations	Latest	(year of valuation 2003)			62					
	Earlier	(year of valuation 2002)			63					
	Earliest	(year of valuation 2001)			64					

Long term insurance business : Valuation result and distribution of surplus

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

Category
of surplus

Category of surplus

Stakeholder**R58****3253947****GL****31****12****2004****£000****13**

Valuation result	Fund carried forward		11	75324
	Bonus payments made to policyholders in anticipation of a surplus		12	(66)
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	
		Transfer to other funds/parts of funds	14	
	Net transfer out of funds/parts of funds (13+14)		15	
	Total (11+12+15)		16	75258
	Mathematical reserves for accumulating with profit policies		17	72906
	Mathematical reserves for other non linked contracts		18	
	Mathematical reserves for property linked contracts		19	
	Mathematical reserves for index linked contracts		20	
	Total (17 to 20)		21	72906
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29	2352
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31	
	Transfers into fund/part of fund	Transfer from non-technical account	32	
		Transfer from other funds/parts of fund	33	
	Net transfer into fund/part of fund (32+33)		34	
	Surplus arising since the last valuation		35	2352
Total (31+34+35)		39	2352	
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41	(66)
	Allocated to policyholders by way of	Cash bonuses	42	
		Reversionary bonuses	43	2419
		Other bonuses	44	
		Premium reductions	45	
	Total allocated to policyholders (41 to 45)		46	2353
	Net transfer out of fund/part of fund		47	
	Total distributed surplus (46+47)		48	2353
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49	
Total (48+49)		59	2353	
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61	100.00
Corresponding percentage at three immediately previous valuations	Latest	(year of valuation 2003)	62	100.00
	Earlier	(year of valuation 2002)	63	100.00
	Earliest	(year of valuation 2001)	64	100.00

Long term insurance business : Valuation result and distribution of surplusName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

Category
of surplusCategory of surplus **Belgium****R58****3253947****GL****31****12****2004****£000****14**

Valuation result	Fund carried forward		11	
	Bonus payments made to policyholders in anticipation of a surplus		12	
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	
		Transfer to other funds/parts of funds	14	
	Net transfer out of funds/parts of funds (13+14)		15	
	Total (11+12+15)		16	
	Mathematical reserves for accumulating with profit policies		17	
	Mathematical reserves for other non linked contracts		18	
	Mathematical reserves for property linked contracts		19	
	Mathematical reserves for index linked contracts		20	
	Total (17 to 20)		21	
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29	
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31	
	Transfers into fund/part of fund	Transfer from non-technical account	32	
		Transfer from other funds/parts of fund	33	
	Net transfer into fund/part of fund (32+33)		34	
	Surplus arising since the last valuation		35	
Total (31+34+35)		39		
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41	
	Allocated to policyholders by way of	Cash bonuses	42	
		Reversionary bonuses	43	
		Other bonuses	44	
		Premium reductions	45	
	Total allocated to policyholders (41 to 45)		46	
	Net transfer out of fund/part of fund		47	
	Total distributed surplus (46+47)		48	
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49	
Total (48+49)		59		
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61	
Corresponding percentage at three immediately previous valuations	Latest	(year of valuation 2003)	62	100.00
	Earlier	(year of valuation 2002)	63	100.00
	Earliest	(year of valuation 2001)	64	100.00

Long term insurance capital requirementName of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

	R60	3253947	GL	31	12	2004	£000
	LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year	
	1	2	3	4	5	6	

Insurance death risk capital component

Classes I, II and IX	11	0.1%	47281193	46429230	0.877804	41504	
Classes I, II and IX	12	0.15%	2821096	1949057		3715	
Classes I, II and IX	13	0.3%	43504576	33790189		114565	
Classes III, VII and VIII	14	0.3%	2682759	518772	0.500000	4024	
Total	15		96289624	82687248		163808	

Insurance health risk capital component

Class IV and supplementary classes 1 and 2	21					30819	
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Insurance expense risk capital component

Classes I, II and IX	31	1%	20593678	14599527	0.850000	175046	
Classes III, VII and VIII (investment risk)	32	1%	9864096	9770165	0.990477	97702	
Classes III, VII and VIII (expenses fixed 5 yrs +)	33	1%	4390509	4389193	0.999700	43892	
Classes III, VII and VIII (other)	34	25%				2199	
Class IV	35	1%	496291	471886	0.950825	4719	
Class V	36	1%					
Class VI	37	1%			0.000000		
Total	38					323558	

Insurance market risk capital component

Classes I, II and IX	41	3%	20593678	14599527	0.850000	525139	
Classes III, VII and VIII (investment risk)	42	3%	9864096	9770165	0.990477	293105	
Classes III, VII and VIII (expenses fixed 5 yrs +)	43	0%	4390509	4389193			
Classes III, VII and VIII (other)	44	0%	5916243	6009404			
Class IV	45	3%	496291	471886	0.950825	14157	
Class V	46	0%					
Class VI	47	3%			0.000000		
Total	48		41260817	35240175		832401	

Long term insurance capital requirement	51					1350586	1284659
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Supplementary notes

Name of insurer **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Code

0201 Written concessions

(931) The Secretary of State for Trade and Industry issued to the Company on 10 July 1997 an Order under section 68 of the Insurance Companies Act 1982 providing that section 29 of that Act should not apply to certain payments in respect of taxation made by the Company in the pursuance of clause 6.2 of Part II of the Scheme effected under Schedule 2C of that Act and sanctioned by the court on 23 April 1997 whereby the Company assumed part of the long term insurance business of The Norwich Union Life Insurance Society.

(643) The Secretary of State for Trade and Industry issued to the Company on 10 July 1997 an Order under section 68 of the Insurance Companies Act 1982. This Order provided that section 30 of the Act should not apply to certain payments in respect of Belgian participating policies made by the Company in pursuance of clause 7.3 of Part III of the Scheme effected under Schedule 2C of that Act and sanctioned by the court on 23 April 1997 whereby the Company assumed part of the long term insurance business of The Norwich Union Life Insurance Society.

(621) The Treasury issued to the Company in March 1998 an Order under section 68 of the Insurance Companies Act 1982. This Order provided that section 30 of that Act should apply separately to the distribution of established surplus from the with profit fund of the Company to each group of policyholders in respect of which the transfer to the shareholders' fund is determined on an identical basis in pursuance of clause 10 of Part II of the Scheme effected under Schedule 2C of that Act and sanctioned by the court on 23 April 1997 whereby the Company assumed part of the long term insurance business of The Norwich Union Life Insurance Society.

The Treasury issued to the Company in December 1998 an order under section 68 of the Insurance Companies Act 1982 allowing the Company to report the permanent health insurance business reinsured to it by the Scottish Union & National Insurance Company as if that business was directly written by the Company.

These written concessions have been carried forward under the transitional provisions of the Supervision Manual in relation to the equivalent rules in IPRU (INS).

0202 Section 148 waivers

Implicit items 356307

The Financial Services Authority, on the application of the firm, made a direction in December 2004, under section 148 of the Financial Services and Markets Act 2000. The effect of the direction is to allow the firm to take into account the implicit item at line 11 in this return. That implicit item exceeds the implicit item shown in line 22, column 2 of Form 3 by £409m as a result of the limitation of the implicit item in Form 3 to an amount not exceeding the present value of future profits in the non-profit fund less the with-profits insurance capital component.

0204 Section 148 waivers

Euroclear stock lending 355978

The Financial Services Authority, on application of the firm, made a direction in December 2004 under section 148 of the Act. The effect of the direction is that paragraphs (2) and (3) of rule PRU 4.3.36R do not apply to the stock lending transactions entered into between the firm and Euroclear Bank SA/NV, which are made pursuant to the Euroclear Bank Securities Lending and Borrowing Program.

0301 Reconciliation of net admissible assets to total capital resources after deductions

	£'000
i) Net admissible assets	
Form 13 Line 89 (Long term business)	28,740,193
Form 13 Line 89 (Other than long term business)	800,777
Form 14 Lines 11, 12 and 49	(25,486,253)
Form 15 Line 69	<u>(214,695)</u>
	3,840,022
ii) Components of capital resources that are treated as a liability – subordinated loan capital	200,000
iii) Components of capital resources not included in ii) that arise as a result of a	

Supplementary notes

Name of insurer **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Code

	waiver and are not represented by admissible assets included in Form 13	-
iv)	Any other items – capital resources requirement of regulated related insurance undertakings	657,606
	Total i) to iv) above	4,697,628
	Form 3, line 79	4,697,628
	Implicit item	409,000
	Form 2, Line13	5,106,628

0306 Financial reinsurance ceded

The impact of the financial reinsurance shown at line 92 is to reduce mathematical reserves by £118m. The amount of contingent liability for payment to the reinsurer is £119m. The commutation value of the reinsurance arrangement at the end of the financial year is £119m.

0308 Financial engineering adjustments

Included in line 94 is a contingent loan due to Anglia Funding Limited. This is repayable on the emergence of a future surplus arising on term and mortgage protection business. The impact is to reduce liabilities in the non profit fund by £91m. The commutation value of the contingent loan at the end of the financial year is £91m.

0310 Calculation of valuation differences as required by instruction 9 to Form 3

	£'000	
a)	Positive valuation differences in respect of assets where valuation in PRU exceeds the valuation that the firm uses for external financial reporting purposes	
	Restatement of amortised cost to market value	34,409
b)	Positive valuation differences in respect of liabilities where valuation in PRU is lower than the valuation that the firm uses for external financial reporting purposes	
	Contingent loan	91,252
	Deferred tax provision	164,716
c)	Negative valuation differences in respect of assets where valuation in PRU is lower than the valuation that the firm uses for external financial reporting purposes	-
d)	Negative valuation differences in respect of liabilities where valuation in PRU exceeds the valuation that the firm uses for external financial reporting purposes	
	Technical provisions	(42,485)
	Net positive / (negative) valuation difference included in line 14 /(35)	247,892

0311 Intangible Assets

The amount at Form 3 Line 33 is negative goodwill.

1301 Aggregate values of assets

1308

The aggregate values of types of assets specified in instruction 5 to Form 13 are:-

- (i) Unlisted investments on lines 41 and 46 are £2,502m (Long term business) and £149m (Other than long term business).
- (ii) Listed investments on lines 41, 46 and 48, which are not readily realisable £nil.
- (iii) Units in collective investment schemes that are not schemes falling within the UCITS Directive or are not authorised unit trust schemes or recognised schemes within the meaning of Part XVII of the Act are £65m (all Long term business).
- (iv) Reversionary interests or remainders in property other than land or buildings £nil.

1304 Amounts set off

Supplementary notes

Name of insurer **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Code

1310

Amounts have been set off to the extent permitted by generally accepted accounting principles.

1305 Counterparty limits

1311

The investment guidelines operated by the Company specify exposure to counterparties by asset type as follows:

Deposits

The maximum permitted exposure to counterparties is set out in the lending limit list approved by the Group Risk Committee. Each fund cannot hold more than 2% of funds under management (or £100m if less) with 'Tier 1' counterparties, 1.5% of funds under management (or £75m if less) with 'Tier 2' counterparties and 0.5% of funds under management (or £50m if less) with 'Tier 3' counterparties. Tier 1 represents AAA rated institutions, Tier 2 represents institutions rated AA- or better, whilst Tier 3 represents institutions rated A- or better. The absolute limit for a particular counterparty holding at the end of the financial year was £100m for Tier 1, £75m for Tier 2 and £50m for Tier 3.

Equities

The maximum of a company's equity held by all funds is limited to 10%. Unquoted holdings are limited to 1.5% of the fund.

Fixed income securities

Exposure to non-government bonds is limited to holdings which are deemed to be of a suitable investment grade determined by senior investment management. The maximum holding across all funds of a single issue is limited to 25% off the issue. Private placements are limited to 3% of the non-government bond portfolio.

Derivatives

The maximum permitted exposure to derivative contracts is as follows:

	With profit fund	Shareholder fund
Equity Index Futures	10% of fund	25% of fund
UK Bond Futures	10% of fund	25% of fund
UK Swaps & Swaptions	10% of fund	N/a
Overseas Bond Futures	5% of fund	N/a
Overseas Swaps & Swaptions	20% of overseas fixed interest	N/a
FX forwards		100% of overseas assets
- Purchase/sale of investments	Unlimited	
- Asset allocation	20% of fund	
- Other	100% of overseas assets	
FX options	10% of overseas assets	N/a
Warrants	3% of equity portfolio	3% of equity portfolio
Equity underwriting	Lower of £150m or cash cover	N/a

1306 Counterparty exposure

1312

Exposure to any one counterparty at the end of the financial year did not exceed 5% of the sum of the insurer's base capital resources requirement and its long-term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded.

1309 Hybrid securities

The aggregate value of hybrid securities is £458m.

1316 Tangible assets

Supplementary notes

Name of insurer **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Code

Tangible Assets on Form 13 line 80 include assets of £4m capitalised under finance lease agreements with a fellow group undertaking.

1401 Provision for reasonably foreseeable adverse variations

1501

No provision is required in respect of a provision for reasonably foreseeable adverse variations. All derivative contracts are strictly covered and all other obligations to deliver assets or make a payment were felt to be prudently provided for in the accounts.

1402 Contingent liabilities and charges

1502

Contingent liabilities and charges

All quantifiable contingent liabilities and charges have been included on the Form.

Capital Gains Tax

Included in deferred tax liabilities at line 21 of Form 14 is an amount of £201m in respect of a full provision for potential capital gains tax on unrealised gains. The provision for shareholders on Form 15 is £nil.

Guarantees, indemnities and other contractual commitments

There are no guarantees, indemnities or any other contractual commitments effected other than in the ordinary course of business in respect of the existing or future liabilities of related companies.

Other fundamental uncertainties

There are no other fundamental uncertainties.

1404 Implicit provision required by PRU 4.3.17R(3)

The amount of implicit provision required by PRU 4.3.17R(3) included in line 38 is £nil.

1601 Rates of exchange

4005

Assets and liabilities in currencies other than sterling have been translated into sterling at rates of exchange ruling at 31 December 2004. Revenue items in currencies other than sterling have been translated into sterling at an average rate of exchange for the year.

1700 Form omitted

No Category 1 or Category 95 Form 17 has been prepared on the basis that there are no derivative contracts for these categories of assets.

1701 Variation margin

The aggregate amount of any excess variation margin which has been received by the Company is £0.5m. The variation margin is allocated to form 13 as follows:

	£'000
Form 13 line 44	54,399

No amounts included on Form 13 reflect the liability to repay any excess.

4002 Other income and expenditure

The field has been used for transfers of annual management charges between sub funds.

4006 Apportionment of items between different long term business funds

Supplementary notes

Name of insurer **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Code

Investment income

Invested assets are individually designated to a particular fund. Consequently all investment income is allocated by reference to the designation of the asset.

Increase or decrease in the value of assets brought into account

The value of assets brought into account is determined by reference to the liabilities of the relevant fund. The assets available are individually designated to the relevant fund.

Expenses

Expenses incurred in respect of a specific fund of business are attributed to the relevant fund. Expenses not so incurred are apportioned on the basis of the volume or value of business within each fund in accordance with the scheme of reconstruction of the Company.

4008 Management services

Management services have been provided throughout the financial year to the Company by Norwich Union Life Services Limited.

Investment management services have been provided to the Company by Morley Fund Management Limited.

4009 Related party transactions

Related party transactions exceeding 5% of the sum of the insurer's base capital resources requirement and its long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded:

1) Connected Party	CGNU Life Assurance Limited
Nature of relationship	Fellow group undertaking
Nature of transactions during the period	Reinsurance accepted
Value of transactions during the period	Premiums £3,198m
	Claims £369m
	Commission £133m
	Expenses £119m
Amounts unpaid at the end of the period	£27m owed to CGNU Life Assurance Limited
Amounts written off in the period	£nil
2) Connected Party	Norwich Union Linked Life Assurance Limited
Nature of relationship	Fellow group undertaking
Nature of transactions during the period	Reinsurance ceded
Value of transactions during the period	Premiums £3,395m
	Claims £297m
Nature of transactions during the period	Reinsurance accepted
Value of transactions during the period	Premiums £241m
	Claims £13m
	Commission £170m
	Expenses £78m
Amounts unpaid at the end of the period	£3m owed to Norwich Union Linked Life Assurance Limited
Amounts written off in the period	£nil

4101 ISA Business

4201

Other contracts on Form 41 lines 17 and 18 and on Form 42 lines 41 and 42 relate exclusively to ISA business.

4102 Reinsurance of Belgium business

On 31 December 2004 all the Belgian branch business was reinsured to a fellow Aviva group undertaking.

Supplementary notesName of insurer **Norwich Union Life & Pensions Limited**Financial year ended **31st December 2004**

Code

4701 Accumulating with profits business (excluding reinsurance accepted)

This business is actually written into the non-profit fund and the investment allocation transferred to the with profit fund.

4801 Accrued interest

The amounts of accrued interest as part of Form 13 line 84 and included on Form 48 are as follows:

	With profit 2004 £'000	Non profit 2004 £'000	Belgium 2004 £'000	Total 2004 £'000	Total 2003 £'000
Form 48 line 12	119,623	6,132		125,755	106,676
Form 48 line 13	68,457	5,307	-	73,764	109,749
Form 48 line 14	-	68	-	68	218
Form 48 line 15	-	-	-	-	17
Form 48 line 17	-	4,131	-	4,131	-
Form 48 line 18	-	-	-	-	7,307
	188,080	15,638	-	203,718	223,967

5101 Category of Surplus**5201****5301****5401**

The category of surplus indicator identifies the internal sub fund of the business, as defined by the restructuring scheme. Unitised with profits business for stakeholder pensions is identified separately.

- 11 With profits sub fund
- 12 Non profit sub fund
- 13 Stakeholder pensions sub fund
- 14 Overseas (Belgium) sub fund

The with profits sub fund includes blocks of non-profit group pure endowments and group deferred annuities, non-profit non-group deferred annuities (including reversionary annuities), and non-profit non-group pure endowments and deferred annuities continued beyond normal retirement. It also includes some term assurances reinsured from Norwich Union Linked Life Assurance Limited.

The non-profit sub fund includes the sterling reserves relating to unitised with profits business. Overseas business within the with-profit and non-profit sub funds relates to minor sterling business.

5102 PHI business**5402**

ALR is the Active Life Reserve
DLR is the Disabled Life Reserve

5103 Valuation summary of non-linked contracts (other than accumulating with-profit policies)**Belgium**

The total number of contracts shown in column 4 for Belgian business exceeds the actual number of contracts by 27,523.

Form 46 line 13, for overseas non-linked business includes contract count of 78,774 and in-force premium of £11,949,000 previously not recorded as business of Norwich Union Life and Pensions Limited. The liability in respect of this business is fully reinsured.

Supplementary notes

Name of insurer **Norwich Union Life & Pensions Limited**

Financial year ended **31st December 2004**

Code

5202 Group pure endowment insurance

5302

The number of contracts shown in column 4 is the true scheme count. Previously scheme count has been estimated from the number of lives.

Executive pensions appear under the group pure endowment insurance heading. The number of contracts shown in column 4 is the true scheme count. Previously, when executive pensions appeared under the pure endowment insurance heading, the number of lives was shown in column 4.

5203 Valuation summary of accumulating with-profits policies

For linked contracts which are also accumulating with-profits policies, amounts of benefits, premiums and other liabilities which are with-profits are shown on Form 52, and the remainder are shown on Form 53. The number of contracts is included on both Form 52 and Form 53.

There are 23,811 such contracts in United Kingdom Life Assurance & General Annuity Business, 126,396 in United Kingdom Pensions Business and 827 in Minor Sterling Life Assurance & General Annuity Business.

5501 Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

The valuation prices in column 3 are stated in pounds.

Capital and accumulation unit liabilities are recorded separately.

5801 Distribution of surplus from the with profits fund

	FSA Ref.	Conventional with profits £'000s	With profits annuity £'000s	Unitised with profits		Belgium £'000s	Total £'000s
				Direct £'000s	Re-insurance accepted £'000s		
Bonus payments made to policyholders in anticipation of a surplus	58.41	145,513	20	5,552	2,749	-	153,833
Reversionary bonus	58.43	17,014	4,393	334,424	31,265	-	387,097
Total allocated to policyholder	58.46	162,526	4,413	339,976	34,015	-	540,930
Net transfer out of fund	58.47	18,058	432	-	3,370	-	21,861
Total distributed surplus	58.48	180,585	4,845	339,976	37,385	-	562,790
Percentage of surplus allocated to shareholders		10.00%	8.92%	-	9.01%	-	3.88%

6001 Required minimum margin

The mathematical reserves after deduction for reinsurance, as shown in Form 60, exceed the actual reserves as shown in Form 53 and Form 58 by 10,540,140 (£000). This represents the unit liabilities that are reinsured to Norwich Union Linked Life Assurance Limited. Although the unit liabilities are reinsured, any fixed upper limit in the allocation to cover management expenses in the relevant contract applies to Norwich Union Life and Pensions Limited and not to the receiving company. The presentation adopted in Form 60 ensures that the Company provides the required margin of solvency – first result – in relation to these liabilities.

Statement on derivatives required by IPRU (INS) 9.29

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

The following summarises investment policy for the use of derivatives: -

- Derivatives will only be used in accordance with FSA Guidelines for the purpose of efficient portfolio management or reduction in investment risk.
- Derivatives must not be used for speculative purposes.
- Derivatives must be fully covered by the assets of the fund and must not be used to 'gear up' a fund.
- Counterparty risk – for exchange traded contracts, the exchange must be classed as "regulated" by an investment committee. Over the counter contracts, transactions must only be transacted with approved counterparties. Counterparty limits are consistent, and monitored in line with the fund's aggregate exposure guidelines.
- Controls and Monitoring – delegated authorities exist for each member of staff using derivatives. Derivatives transactions are priced, settled and profit and losses reconciled in an area independent of the fund managers involved.

There are no specific guidelines for the use of contracts that were not reasonably likely to be exercised at the start of the contract. The speculative use of derivative contracts is prohibited.

The company was party to Stock Underwriting over the financial period, which falls into the description above. This is the only example of such contracts that were transacted during the financial period. However, none of the amounts recorded in Form 13 would have been materially changed if the insurer became obligated to purchase these assets.

The amounts recorded in Form 13 would have not have significantly changed if contracts held had been exercised at the end of the financial year or at any point during the financial year.

The maximum loss in the event of failure by any one counterparty to fulfil its obligations at the end of the financial year would have been £29.5m. This would not have been materially greater at any one time during the year or under other foreseeable market conditions.

No derivative contracts were held at any time during the financial year that required a significant provision under PRU 4.3.17R, and where appropriate, all contracts held fell within the definition of a permitted derivative contract.

During the financial period, the company's use of derivatives included the granting of rights under derivative contracts for a fixed consideration. This was in the activity of Stock Underwriting. The fee income over the financial period was £0.2m.

Returns under the Accounts and Statements Rules

Statement on controllers required by IPRU (INS) 9.30

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

100% of the issued Share Capital of the Company is held by Norwich Union Life Holdings Limited.

100% of the issued Share Capital of Norwich Union Life Holdings Limited is held by Norwich Union Holdings Limited.

100% of the issued Share Capital of Norwich Union Holdings Limited is held by Norwich Union plc.

100% of the issued Share Capital of Norwich Union plc is held by General Accident plc.

100% of the issued ordinary Share Capital of General Accident plc is held by the Ultimate Parent Undertaking, Aviva plc.

There have been no changes to the above position during the year.

All shares are voting shares.

Statement of information on appointed with-profits actuary required by IPRU (INS) 9.36

Name of insurer **Norwich Union Life & Pensions Limited**
Global business
Financial year ended **31st December 2004**

In accordance with rule 9.36 of the Interim Prudential Sourcebook for Insurers, J Lister, the with-profits actuary of the Company, was requested to furnish and has provided the following information:

- (a) (1) An interest in 10,310 ordinary shares at 31 December 2004 in Aviva plc, and an interest in 6,461 ordinary shares at 31 December 2003.
- (2) 39,324 ordinary shares are held in the Aviva Long Term Incentive Plan and 23,962 ordinary shares are held in the Aviva Deferred Bonus Plan.
- (3) Options were held at 31 December 2004 to subscribe for 21,936 ordinary shares in Aviva plc under the Executive Share Option Scheme:

	No. of shares
Options held at 31 December 2003	30,524
Options granted during the year	-
Options exercised or lapsed during the year	8,588

- (b) Two low cost endowment policies with CGNU Life Assurance Limited, with aggregate sums assured of £56,000 and monthly premiums of £259. The actuary also holds a number of investment products managed by Norwich Union Investment Funds Limited. In addition the actuary held general insurance policies with subsidiaries of Aviva plc for which total premiums of £2,000 were paid in the year to 31 December 2004.
- (c) The aggregate amount of remuneration, bonuses and the value of other benefits (excluding pension rights) under the actuary's contract of employment with Aviva Employment Services Limited for 2004 was £161,561. Under the contract he was:

With-profits actuary of:-
Commercial Union Life Assurance Company Limited
CGNU Life Assurance Limited
Norwich Union Life (RBS) Limited
Norwich Union Linked Life Assurance Limited
Norwich Union Life & Pensions Limited
Norwich Union Annuity Limited
Fidelity Life Assurance Limited
TPFL Limited

And a director of:-
The General Practice Finance Corporation Limited
The General Practice Finance Corporation Property Management Limited
Norwich Union Commercial Finance Limited
Norwich Union Commercial Mortgages Limited
Norwich Union Mortgage Finance Limited
Norwich Union Mortgages (Life) Limited
Norwich Union Mortgage Holdings Limited

- (d) Pensions and life assurance benefits as provided to all employees under the terms and conditions of the Aviva Companies' UK Pensions Schemes. Sickness and accident benefits as provided to all employees under the terms and conditions of these schemes.

Certificate by the directors required by IPRU (INS) 9.34 and IPRU (INS) Appendix 9.6

Name of insurer **Norwich Union Life & Pensions Limited**

Global business

Financial year ended **31st December 2004**

We certify that:

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

- 2 (a) in the directors' opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
(b) the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14, constitute proper provision at the end of the financial year in question for the long-term insurance business liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;
(c) the with-profits fund has been managed in accordance with the Principles and Practices of Financial Management, as established, maintained and recorded under COB 6.10; and
(d) the directors have, in preparing the return, taken and paid due regard to:
 - (i) advice in preparing the return from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R; and
 - ii) if applicable, advice from every actuary appointed by the insurer to perform the with-profits actuary function in accordance with SUP 4.3.16R.

..... **GN WITHERS**
Chief Executive

..... **J A NEWMAN**
Director

..... **M N URMSTON**
Director

Returns under the Accounts and Statements Rules

Independent auditors' report to the directors pursuant to rule 9.35 of the Accounts and Statements Rules

Name of insurer **Norwich Union Life & Pensions Limited**

Global Business

Financial year ended **31st December 2004**

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

- Forms 2, 3, 11 to 19, 40 to 42, 48, 49, 58 and 60 (including the supplementary notes) ("the Forms");
- the statement required by rule 9.29 ("the statement");
- the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report required by rule 9.31(a) ("the methods and assumptions included in the valuation report"); and
- the report required by rule 9.31(b) except for paragraph 4(6) ("the realistic valuation report").

We are not required to examine and do not express an opinion on the following ("the unaudited items"):

- a) Forms 46, 47, 51 to 55 and 57 (including the supplementary notes);
- b) the statements required by rules 9.30 and 9.36;
- c) the certificate signed in accordance with rule 9.34;
- d) the valuation report required by rule 9.31(a) except as set out above; and
- e) paragraph 4(6) of the realistic valuation report.

This report is made solely to the insurer's directors, in accordance with rule 9.35 of the Accounts and Statements Rules. 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 company and its auditors

The insurer is responsible for the preparation of an annual return (including the unaudited items) under the provisions of the Rules. The requirements of the Rules have been modified by a waiver issued under section 148 of the Act on 31 December 2004. Under rule 9.11 the Forms, the statement, the valuation report and the realistic valuation report are required to be prepared in the manner set out in the Rules and to state fairly the information provided on the basis required by the Rules. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report and the realistic valuation report prepared in accordance with rule 9.31 are required to reflect appropriately the requirements of PRU 7.3 and 7.4.

It is our responsibility to form an independent opinion as to whether the Forms, the statement and the methods and assumptions included in the valuation report meet these requirements, and to report our opinion to you. We also 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" and Bulletin 2004/5 "Supplementary guidance for auditors 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, the statement and the realistic valuation report and the methods and assumptions included in the valuation report. 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 30 March 2005. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the statement and the realistic valuation report and in determining the methods and assumptions included in the valuation report.

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, the statement and the realistic valuation report and the methods and assumptions included in the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with rule 9.11.

In accordance with rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be examined under rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

Returns under the Accounts and Statements Rules

Independent auditors' report to the directors pursuant to rule 9.35 of the Accounts and Statements Rules

Name of insurer **Norwich Union Life & Pensions Limited**

Global Business

Financial year ended **31st December 2004**

Opinion

In our opinion:

- (a) the Forms, the statement and the realistic valuation report 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; and
- (b) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report and the realistic valuation report prepared in accordance with rule 9.31 appropriately reflect the requirements of PRU 7.3 and 7.4.

Ernst & Young LLP
Registered Auditor
London
30 March 2005