



2	Introduction
6	Synopsis of Results
8	Current Directors
9	Advisers
10	Managing Agent's Report
18	Principal Accounting Policies
22	General Notes to the Accounts
23	Statement of Managing Agent's Responsibilities
24	Report of the Auditors
25	Syndicate 2001
47	Syndicate 902
67	Syndicate 1141
88	Executives' Participations and Other Related Interests

**WE ARE CONFIDENT THAT THE 1998
AND 1999 ACCOUNTS REFLECT THE
BOTTOM OF THE CYCLE FOR THE
BUSINESSES WHICH NOW MAKE UP
SYNDICATE 2001**

**BOTH 1998 AND 1999 ON A COMBINED
BASIS HAVE OUTPERFORMED THE
LLOYD'S MARKET AVERAGE AND WE
EXPECT 2000 TO DO THE SAME**

SYNDICATE 2001 IS IN A STRONG POSITION TO BENEFIT FROM IMPROVING UNDERWRITING CONDITIONS

During 2000, Amlin continued the work commenced in 1999 to improve its operational effectiveness and to restructure the business so that it is better placed to meet the challenges of a rapidly changing commercial environment. With much of this work behind us, syndicate 2001, which since 1 January 2001 includes the business of former syndicates 902 and 1141, is in a strong position to benefit from the improving underwriting conditions which have become more evident over the past six to nine months.

UNDERWRITING PERFORMANCE

The results of the 1998 year of account for each of the managed syndicates are summarised on page 6, and commentaries on this closed year and the 1999 and 2000 open years are provided in the Underwriters' reports.

SYNDICATE 2001

As predicted this time last year, syndicate 2001 has produced a disappointing loss for 1998 of 5.5% of capacity. The year was particularly affected by poor results from the UK motor account, which was trading at the bottom of its cycle, and losses on US and international casualty lines. The year was an appalling one for insurance markets generally, as the impact of over capacity and heightened competition took its toll.

Action taken to withdraw from certain international liability lines and improvements in the UK commercial motor market have resulted in a better performance for the 1999 year of account, although another loss is expected in the range of 1% to 6% of capacity.

We expect further improvement for the 2000 year of account, which has benefited from a second year of rate increases in excess of 20% in the UK commercial motor book and the beginnings of rate increases in a number of other classes. While much of the business underwritten for this year remains on risk, it has to date been helped by a low level of catastrophic losses.

SYNDICATE 902

Syndicate 902, which has now been merged into the Coles Division of syndicate 2001, was managed by Angerstein Underwriting Ltd until 31 March 2000. It produced a creditable profit of 2.2% of capacity for the 1998 year of account despite difficult conditions, particularly in its principal marine and energy classes. 1999 is looking less promising at this stage, with a forecast loss in the range of 2% to 7% of capacity, reflecting the impact of a high level of catastrophe losses on its book and continued intense competition in its marine classes.

SYNDICATE OPERATING STRUCTURE

Division	Business	Underwriter
Amlin Aviation	Aviation	R G Dampier
Amlin Insurance Services	Motor and UK insurance	B D Carpenter
Coles	Marine	S C W Beale
Harvey Bowring	Non marine and reinsurance	A W Holt

Unfortunately, we cannot at this stage predict that the 2000 year of account will be any better. While the low level of catastrophes in 2000 is beneficial, the marine and energy accounts have failed to improve and the syndicate has suffered three large losses on its space account.

SYNDICATE 1141

Syndicate 1141, which has now been materially rationalised and merged into syndicate 2001, was also managed by Angerstein Underwriting Ltd until 31 March 2000.

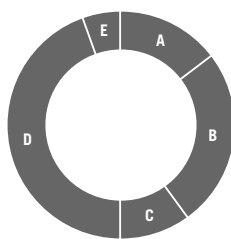
Since assuming the management of this syndicate, much work has been devoted to assessing the adequacy of its reserves and open year forecasts. In common with other syndicates and companies underwriting similar classes to syndicate 1141, the results have been particularly affected by under performance of US property and casualty lines. The result is a loss of 26.6% for the 1998 year of account and a forecast loss range for 1999 of 15% to 20% of capacity. 1998 is the first loss making year in the history of the syndicate. It is also regrettable that US situs funding requirements of the syndicate have necessitated calling cash early from syndicate capital providers. We are hopeful that work done in 2000 to curtail loss making accounts will have a beneficial impact, but this is unlikely to result in a material turn around of the result in that year.

RESTRUCTURING

During 2000 management conducted a strategic review of the prospects for syndicate 2001 over the next five years.

It was decided that, to build on its strong leadership positions in a number of classes and to maximise the potential of syndicate 2001, Amlin needed to change the syndicate's operating structure to allow a greater focus on brokers and clients, to channel investment effectively into business development and service standards, and to achieve economies of scale. Accordingly, in October 2000, the former composite divisions were reorganised along class of business lines in four divisions as illustrated above.

The strategy review also included an assessment of each of the syndicate business classes and the ability of each of their teams to meet requirements in terms of profitability and long term strategy. This resulted in a number of changes both at senior underwriter and underwriting team level.

**CAPACITY BY DIVISION 2001**

- A** Amlin Aviation £80m
- B** Amlin Insurance Services £150m
- C** Coles £60m
- D** Harvey Bowring £250m
- E** Unallocated £35m

THE BENEFITS OF THE RESTRUCTURING ARE ALREADY BEING SEEN

The benefits of the restructuring are already being seen in the following areas:

- underwriting teams are more focused on their specialist classes and the syndicate is more easily understood by brokers and clients;
- underwriters are in a position to offer larger line sizes, reinforcing the syndicate's leading positions in the market;
- the reinsurance programme for the 2001 year of account has been structured on a far more efficient basis than in prior years; and
- cost savings are being achieved.

CAPACITY ALLOCATION

Amlin's intention is to allocate its capacity among its business classes to maximise returns. The reorganisation will facilitate this in future years.

For the 2001 year of account Amlin increased syndicate 2001's capacity, through the merger with syndicates 902 and 1141 and a 6.7% pre-emption, to £575 million. This will allow the syndicate to take advantage of increasing rates in most classes. The capacity for 2001 has been allocated as shown in the pie chart above.

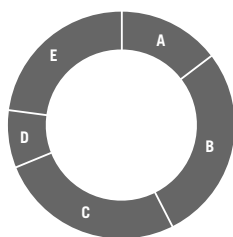
Motor, excess of loss reinsurance and property premiums are growing as conditions become more favourable, while casualty business has been cut back following a review of the former syndicate 1141 account.

The single syndicate structure allows Amlin to vary its allocation among divisions and classes during the year as conditions dictate. Capacity has been left unallocated for this purpose.

EXPENSE MANAGEMENT

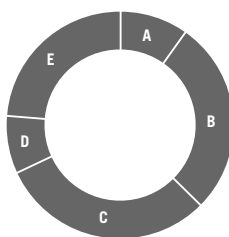
Cost control was identified as an area of focus in last year's report. Significant effort has been made during the year to control and where possible reduce the underlying cost base and expense ratios. In the first half of the year this effort was directed at the support functions of the agency. Changes effected include:

- a reduction in staff within central operational management, finance and company secretarial functions of the group following the merger of the agencies;
- outsourcing of our data processing function to Electronic Data Systems Limited, which provides our syndicates with greater flexibility in managing IT resource; and
- rationalisation of relationships with professional advisers.



ESTIMATED PREMIUM INCOME BY CLASS 2001

A	Aviation £69m
B	Motor £144m
C	Non-marine £138m
D	Marine £35m
E	Excess of loss reinsurance £118m



ESTIMATED PREMIUM INCOME BY CLASS 2000

A	Aviation £49m
B	Motor £137m
C	Non-marine £147m
D	Marine £34m
E	Excess of loss reinsurance £117m

We estimate that the above changes will yield a net saving of £2.0m to our underlying cost base. During 2000, prior to the October reorganisation, we have incurred non-recurring redundancy costs of £0.7m.

The reorganisation of our business along class lines, and the review of the profitability of classes of business, has also led to staff and operational changes with redundancy costs of £1.1m. However, the overall impact of the October reorganisation is anticipated to yield further annual expense savings of £2.0m.

There have been other changes made during the year which also carry an exceptional cost. The two material areas are:

- implementation of a single underwriting IT system for London market businesses; and
- co-location of our business.

The cost of these changes is being written off over a period of time which reflects economic use and preserves an equitable balance between years of account. We believe that both of these changes are essential to effective and cohesive operation of our business in the future and the benefits realised will substantially outweigh the costs.

SUMMARY

While disappointed by the results, particularly those of syndicate 1141, we are confident that 1998 and 1999 reflect the bottom of the cycle for each of the businesses which now make up syndicate 2001. For both 1998 and 1999 our business on a combined basis has significantly outperformed the Lloyd's market average and we expect 2000 to do the same.

Major changes have been implemented to improve syndicate 2001's operational effectiveness and we are confident that this will be reflected in future performance. Our thanks go to all those who have made a positive contribution to the changes made.

C E L Philipps Chief Executive
20 March 2001

THESE TABLES SUMMARISE THE RESULTS AND FORECASTS OF THE SYNDICATES MANAGED BY AMLIN UNDERWRITING LIMITED AT 31 DECEMBER 2000

SUMMARY OF RESULTS FOR THE 1998 YEAR OF ACCOUNT

	Syndicate 2001	Syndicate 902	Syndicate 1141
Capacity £'000	528,697	37,605	76,202
Published forecast at 31 December 1999 (mid-point)	(4.5)%	0.0%	(5.0)%
Result	(5.5)%	2.2%	(26.6)%

The standard syndicate results in the underwriters' reports, and in the 'summary of results', are shown after deduction of personal expenses and stated by reference to a member's 'illustrative share of £10,000'. The figures may differ marginally to members' actual results due to differing levels of profit commission charges and the fact that results are distributed or collected in Sterling and US dollars.

SUMMARY OF FORECASTS FOR THE 1999 YEAR OF ACCOUNT

	Syndicate 2001 £'000	Syndicate 902 £'000	Syndicate 1141 £'000
Capacity	452,971	37,568	76,142
Open year balance before personal expenses	387,206	22,592	64,176
Estimated future liabilities	(410,092)	(24,681)	(78,442)
Estimated closed year result after non-underwriting items at 24 months	(22,886)	(2,089)	(14,266)
Estimated movement of non-underwriting items during the third year	16,900	1,053	3,332
Estimated closed year loss at 36 months before personal expenses	(5,986)	(1,036)	(10,934)
Estimated personal expenses	(8,381)	(695)	(1,407)
Estimated closed year loss at 36 months after personal expenses	(14,367)	(1,731)	(12,341)
Forecast as a % of capacity	(3.2)%	(4.6)%	(16.2)%
Upper forecast range	(1.0)%	(2.0)%	(15.0)%
Lower forecast range	(6.0)%	(7.0)%	(20.0)%

ASSUMPTIONS

The forecast results for the 1999 account have been made on the following assumptions and bases:

- i the third year development and the reserving policies adopted will be in line with previous years;
- ii the result will not be materially affected by improvements or deteriorations in reinsurance to close reserves received from the 1998 account;
- iii there will be no material reinsurance failures;
- iv syndicate expenses incurred in the calendar year 2001 to be charged to the 1999 year of account will not exceed current budgets;
- v no further personal expenses will be borne by 1999 members during 2001, except for profit commission if applicable;
- vi investment yield and cash flows will not vary significantly from those on which the forecast return is based;
- vii US dollar and Canadian dollar exchange rates will not be materially different from 31 December 2000 rates of 1.49 and 2.24 respectively; and
- viii there are no significant changes in regulatory or legislative policies which will affect the activities of the syndicates.

A M Davies	Non-executive Chairman
S C W Beale, ACII	Underwriter: Coles Division
B D Carpenter	Underwriter: Amlin Insurance Services Division
R G Dampier, FCII	Underwriter: Amlin Aviation Division
M C Hewett	General Manager, Coles Division
R A Hextall	Finance Director
A W Holt, ACII	Underwriting Director and Underwriter: Harvey Bowring Division
J le T Illingworth	Managing Director, Agency Operations
R J Lewy	Non-executive
I Macnabb	Syndicate Monitoring Director
R Mylvaganam	Non-executive
C E L Philipps	Chief Executive
I R C Shackell	Director of Audit and Compliance
A P Springett	General Manager, Harvey Bowring Division

Auditors

Syndicates and Amlin plc
Deloitte & Touche
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

Amlin Underwriting Limited
KPMG Audit plc
8 Salisbury Square
London EC4V 8BB

Actuaries

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

Corporate Solicitors

Linklaters and Alliance
One Silk Street
London EC2Y 8HQ

Dechert
2 Serjeants' Inn
London EC4Y 1LT

Investment Managers

Alliance Capital Limited
Premium Management Limited
Rothschild Asset Management Limited
Weiss Peck & Greer LLC

THE MERGER OF SYNDICATES 2001, 902 AND 1141 WAS SUPPORTED BY 99.9%, 98.1% AND 99.9% OF VOTES RECEIVED RESPECTIVELY

1 COMBINED SYNDICATE STATEMENTS

The Managing Agent's Report covers syndicates 2001, 902 and 1141 managed by Amlin Underwriting Limited.

2 AGENCY MERGER

We set out our intention to merge the two managing agencies within Amlin in last year's annual report. The regulatory processes were duly completed in the first quarter of 2000 and the merger was effective from 31 March 2000. This merger was a precursor to the syndicate merger but facilitated an alignment of Boards and a streamlining of processes within the agency under which all Amlin syndicates operate.

3 SYNDICATE MERGER

The second part of the rationalisation of managed syndicate functions, the merger of syndicates 2001, 902 and 1141 for the 2001 year of account, was also effected during the course of the year. The proposals put forward by the Board were supported by the majority of supporting capital, with votes in favour amounting to 99.9%, 98.1% and 99.9% of votes received for syndicates 2001, 902 and 1141 respectively. Three key benefits were noted in last year's annual report in support of the merger; namely, cost savings and economies of scale, greater flexibility and greater financial strength. We believe that these benefits are already being realised.

4 INFORMATION REGARDING DIRECTORS

The current directors of Amlin Underwriting Limited are detailed on page 8. During the period between 1 January 1998 and 31 December 2000 there has been considerable change in the composition of the Board of the managing agency, following the merger and creation of Amlin in 1998. The dates of appointment or resignation from the board are detailed on page 11 by calendar year. During 2000 further Board changes arose due to the transfer of managing agency responsibilities for syndicates 902 and 1141 from Angerstein Underwriting Limited and the subsequent merger of these syndicates with 2001 for the 2001 year of account. Since the year end I R C Shackell has been appointed Director of Audit and Compliance.

Details of the directors' and underwriters' participations on managed syndicates are given on page 88.

5 MEMBERSHIP OF THE SYNDICATES

The split of membership of syndicates 2001, 902 and 1141 by class is summarised on page 13.

CBS Private Capital Limited (formerly Amlin Private Capital Limited), and previously an affiliated company, placed members on the 2001 account of syndicate 2001 with an aggregate premium limit of 11% (2000: Syndicate 2001 (14%), Syndicate 902 (10%) and Syndicate 1141 (18%)) of the syndicate's total capacity.

Year ended 31 December 2000

S C W Beale (appointed 14 December 2000)
 T M Bronk (appointed 20 January 2000,
 resigned 28 February 2001)
 D J Clarke (resigned 20 January 2000)
 T A Clegg (appointed 31 March 2000,
 resigned 15 December 2000)
 A M Davies (Chairman) (appointed 31 March 2000)
 M C Hewett (appointed 31 March 2000)
 J E Mumford (resigned 15 December 2000)
 A P Springett (appointed 14 December 2000)
 R V Tolliday (resigned 14 June 2000)
 C J Venturoso (resigned 31 March 2000)
 A J Walker (appointed 31 March 2000,
 resigned 29 December 2000)

Year ended 31 December 1999

D J Armes (resigned 31 March 1999)
 D N Harries (resigned 13 July 1999)
 R A Hextall (appointed 21 December 1999)
 A G P Hobrow (resigned 31 January 1999)
 R J R Keeling (resigned 1 July 1999)
 R J Lewy (appointed 29 January 1999)
 D E S Shipley (resigned 19 November 1999)

Year ended 31 December 1998

P N Archard (resigned 30 September 1998)
 J R Butler (resigned 1 April 1998)
 D J Clarke (appointed 12 February 1998)
 R G Dampier (appointed 8 January 1998)
 C M Fagan (resigned 5 November 1998)
 N F Holland FCA (Chairman) (resigned 31 December 1998)
 J Ie T Illingworth (appointed 28 October 1998)
 S P Lotter (resigned 1 November 1998)
 J E Mumford (appointed 28 October 1998)
 C E L Philipps (appointed 19 November 1998)

The split of capacity between working members and other members is shown in the Syndicate Composition tables on pages 45, 64 and 85. There are no preferential terms for working members.

6 MULTIPLE AND PARALLEL SYNDICATES***Syndicate 1250***

Consent was granted on 9 December 1998 by Lloyd's under paragraph 7 of the Multiple Syndicates Byelaw for Mr Shipley to underwrite, with effect from 1 January 1999, for both syndicate 2001 and captive syndicate 1250. Syndicate 1250 was managed by Amlin Capital Management Limited which was an associated managing agent until 16 September 1999. Mr Shipley underwrote risks on behalf of captive syndicate 1250 which were related to the business of its sole capital provider, SmithKline Beecham plc. As a captive syndicate, syndicate 1250 did not underwrite third-party risks. Syndicate 2001 did not insure SmithKline Beecham plc. This arrangement ceased upon Mr Shipley's resignation on 19 November 1999.

Syndicate 173

Until 31 December 1998 Mr Dampier (underwriter of Amlin Aviation) underwrote for syndicate 173, managed by Chaucer Syndicates Limited, in the same market as syndicate 2001. Business relating to syndicates 2001 and 173 was written under a consortium arrangement. The terms were such that all business written by the consortium was split between syndicates 2001 and 173

according to a pre-determined ratio for each relevant year of account. The whole of syndicate 173's business was derived from the consortium arrangement. Amlin Underwriting Limited received, as a fee for this arrangement, a share of the agency fee income and profit commission due to Chaucer Syndicates Ltd. Consent for these arrangements was granted by Lloyd's under paragraph 4 of the Multiple Syndicates Byelaw.

With the termination of the consortium arrangement at the end of 1998, syndicate 173 ceased trading and syndicate 2001 has reinsured to close the 1996, 1997 and 1998 years of account of syndicate 173. For accounting purposes, with Lloyd's approval, these transactions have been treated as incoming reinsurances ('transfer of assets') into the 1997, 1998 and 1999 accounts of syndicate 2001 respectively.

Syndicates 902, 1141 and 2001

Following the agreement of Names to the merger of syndicates 902, 1141 and 2001 and the consequent cessation of syndicates 902 and 1141 a number of multiple syndicates consents have been required for staff who are involved in the run-off of syndicates 902 and 1141 while actively underwriting for syndicate 2001. These are as follows:

- consent was granted on 27 December 2000 for Simon Beale and the underwriters of the Coles marine division to act concurrently on behalf of syndicates 902 and 2001 for the purposes of winding up the business of syndicate 902;

DURING THE YEAR THE CHANGES IN INVESTMENT STRATEGY SET OUT IN LAST YEAR'S ANNUAL REPORT WERE LARGELY EXECUTED

- consent was granted on 27 December 2000 for Tony Holt and the underwriters of the Harvey Bowring division to act concurrently on behalf of syndicates 1141 and 2001 for the purposes of winding up the business of syndicate 1141;
- consent was granted on 13 March 2001 for Keith Nichols, Bruce Hilson and Martin Zetter to act concurrently on behalf of syndicates 1141 and 2001 for the purposes of winding up the business of syndicate 1141.
- HBA Limited, a wholly owned service company which acts as a managing general agent providing underwriting agency services in respect of commercial facultative reinsurance, commercial motor and legal liability business, primarily in the Irish Republic, on behalf of the syndicate and certain other Lloyd's syndicates.
- Amlin Credit Limited, a wholly owned service company which acts as a binding authority coverholder, specialising in trade credit insurance. The binding authority is led by syndicate 2001 and supported by other Lloyd's syndicates.
- Just Law Limited, a wholly owned service company. The company provides legal services for Amlin Insurance Services.

7 SERVICE COMPANIES AND OTHER SHAREHOLDINGS

The agency has received the necessary consents under paragraph 2 of the Related Parties Byelaw (No. 2 of 1986) in respect of the following service companies and investments, each of whose results are included in the respective syndicates:

Syndicate 2001

- Serviceline (UK) Limited, a wholly owned service company. The company may act as an intermediary for motor personal accident, public liability, employers' liability and legal expenses business.
- Haven Knox-Johnston Limited, a wholly owned service company which acts as coverholder for Haven Knox-Johnston Yacht Insurers at Lloyd's.
- Drysdale Administration & Claims Services Limited, a wholly owned service company which provides claims adjusting and administration services to the syndicate and other insurers.

Syndicate 902

- Angerstein Transit Underwriting Agency Limited, a wholly owned service company which acts as a managing general agent providing underwriting agency services in respect of UK cargo, goods in transit and UK dinghies.

Investments in the companies listed below are held by Amlin Underwriting Limited for the benefit of the members of syndicates. The costs are charged to the syndicates as they arise and all income or profits accruing are credited to the syndicates. The details are:

MEMBERSHIP OF THE SYNDICATE

Year of account	£m	1998 %	£m	1999 %	£m	2000 %	£m	2001 %
Syndicate 2001								
Bespoke members	105.8	20%	89.3	20%	64.1	15%	66.2	12%
MAPA members	139.3	26%	79.2	17%	58.2	14%	45.7	8%
SLP members	16.2	3%	12.9	3%	12.4	3%	12.2	2%
Amlin Group companies	123.5	23%	159.3	35%	236.3	56%	400.1	69%
Other corporate members	143.9	28%	112.3	25%	52.4	12%	50.8	9%
	528.7	100%	453.0	100%	423.4	100%	575.0	100%
Syndicate 902								
Bespoke members	11.4	30%	10.3	27%	8.6	23%		
MAPA members	8.6	23%	6.0	16%	3.7	10%		
SLP members	0.4	1%	0.6	2%	0.6	2%		
Amlin Group companies	13.2	35%	17.1	45%	21.3	56%		
Other corporate members	4.0	11%	3.6	10%	3.4	9%		
	37.6	100%	37.6	100%	37.6	100%		
Syndicate 1141								
Bespoke members	13.0	17%	11.5	15%	6.4	8%		
MAPA members	26.0	34%	13.8	18%	7.7	10%		
SLP members	2.5	3%	3.2	4%	2.9	4%		
Amlin Group companies	16.6	22%	39.7	53%	53.3	70%		
Other corporate members	18.1	24%	7.9	10%	6.0	8%		
	76.2	100%	76.1	100%	76.3	100%		

Syndicate 2001

- ENAM Management Company Incorporated ('ENAM'). The agency holds 3.4% of the equity of ENAM on behalf of the members of syndicate 2001. ENAM is incorporated in the US and was established to administer an insurance facility for writing speciality insurance products in the US.
- Film Finance Incorporated ('FFI'). The agency has held, since 1995, a 7.34% shareholding in FFI, a US company which issues completion bonds for the US film industry.
- Transsiberian Reinsurance Corporation. The agency holds a 1.5% interest in the shares of Transsiberian Reinsurance Corporation, Russia. There has been a dilution in the shareholding compared with 31 December 1999 due to share issues not being taken up by the agency.

Syndicate 1141

- ENAM Management Company Incorporated ('ENAM'). The agency holds a further 3.4% of the equity of ENAM on behalf of the members of syndicate 1141.
- CUISA Managing General Agency Corporation ('CUISA'). The agency holds a 2.5% shareholding in CUISA, a company incorporated in Canada, which provides underwriting opportunities for the syndicate.

8 INVESTMENT MANAGEMENT

The managing agent and the Trustees of the Premium Trust Funds are responsible for the custody and the investment performance of syndicate trust funds. A sub-committee of the board is charged with the specific duties to:

- consider the suitability of the agency's investment policies and strategy for syndicate funds;
- monitor the allocation of assets between fund managers;
- measure the performance of the investment managers against agreed benchmarks;
- review and monitor the controls and procedures over syndicate investments; and
- report to the board on performance and compliance.

Review of Investment Strategy

During the year the changes in investment strategy set out in last year's annual report were largely executed. These included:

- migration to a longer duration benchmark for all funds so as to match the average liability profile of the syndicates. The average liability profile for all syndicates is estimated to be approximately three years. Tactically Sterling has been left, for the present, short of this position;
- the agency's three existing fund managers were re-appointed; and
- revision of the investment guidelines, thereby reflecting the changes in Lloyd's and other external regulation restrictions.

ACTUAL RETURNS FOR ALL FUNDS EXCEEDED BENCHMARK RETURNS

Fund Management

The agency delegates the management of funds under its control in excess of the syndicates' immediate liquidity needs to external fund managers. The US dollar funds are divided between two managers. The Sterling and Canadian dollar funds were managed by one manager for each. Working capital funds, to meet liquidity needs, are also placed in Sterling and US dollar money market mutual funds.

The agency's fund managers are Alliance Capital Limited for Sterling, Weiss Peck and Greer LLC and Premium Management Limited for US dollars and Premium Management Limited for Canadian dollars. Rothschild Asset Management Limited have been appointed in 2001 to act as the second Sterling manager, in order to further diversify manager risk.

Investment Performance

The agency measures the performance of the managers largely through benchmarking. Detailed reviews of activity and performance are conducted and checks are performed by the agency to confirm compliance with guidelines. The investment performance in the current year has been excellent, notwithstanding difficult market conditions, changes we have made to our investment managers and our migration to longer average durations for our investment portfolios.

The gross investment returns on funds placed with investment managers and money market mutual funds are set out in the table above. During the year, syndicates' funds were invested in short and medium dated high quality securities, money market mutual funds and cash deposits. The average portfolio durations at 31 December 2000 were 20 months, 20 months and 19 months for syndicates 2001, 902 and 1141 respectively. The actual returns for all funds exceeded the benchmark returns.

Stock Lending

No stock lending was undertaken by syndicates 2001, 902 or 1141 during the period under review.

9 SYNDICATE BORROWINGS

Interest charges included in syndicate expenses arise on funds borrowed to meet the requirement to maintain US dollar situs fund deposits since the introduction of the 1995 US Closing Agreement. Where there has been inter-year lending, interest has been charged on these amounts at market rates.

Borrowing facilities from external sources may be needed to fund short term cash flow needs. Currently, forecasts of the syndicate 2001 and 902 cash flows indicate this will not be required in the short term, but could be necessary in the event of a major loss. Currently syndicate 1141 has borrowed funds of US\$12m from a European reinsurer, which falls due for repayment on 31 October 2001, and £14.5m from Syndicate 2001, which falls due for repayment on 1 August 2001.

TOTAL SYNDICATE FUNDS UNDER MANAGEMENT

Syndicate 2001	Funds at 31 December 2000 – £'000					Return for year 31 December 2000		
	£	US\$ 1.49	CAN\$ 2.24	Comb£	% of total	£	US\$	CAN\$
External Fund Managers	128,323	136,153	31,598	233,807	56.4%	8.1%	7.5%	7.4%
External Fund Managers – situs funds	–	211,121	–	141,692	34.2%	–	8.7%	–
Lloyd's Managed Funds	12,834	31,380	–	33,894	8.2%	9.4%	3.0%	–
Total Cash	2,694	2,903	772	4,987	1.2%	6.5%	6.5%	6.3%
Total	143,851	381,557	32,370	414,380	100.0%	8.8%	7.8%	7.4%
As at 31 December 1999	130,990	355,928	33,356	384,759		3.7%	3.6%	3.9%

Syndicate 902	Funds at 31 December 2000 – £'000					Return for year 31 December 2000		
	£	US\$ 1.49	CAN\$ 2.24	Comb£	% of total	£	US\$	CAN\$
External Fund Managers	–	21,188	1,175	14,745	60.7%	7.8%	8.5%	6.1%
External Fund Managers – situs funds	–	6,031	–	4,048	16.7%	–	8.3%	–
Lloyd's Managed Funds	299	1,122	–	1,052	4.3%	1.2%	2.1%	–
Total Cash	1,616	3,942	410	4,445	18.3%	5.5%	6.0%	6.3%
Total	1,915	32,283	1,585	24,290	100.0%	5.1%	8.0%	6.1%
As at 31 December 1999	2,962	39,675	1,629	30,317		3.4%	3.7%	4.6%

Syndicate 1141	Funds at 31 December 2000 – £'000					Return for year 31 December 2000		
	£	US\$ 1.49	CAN\$ 2.24	Comb£	% of total	£	US\$	CAN\$
External Fund Managers	–	20,525	11,803	19,044	20.8%	–	8.0%	6.6%
External Fund Managers – situs funds	–	90,743	–	60,901	66.8%	–	8.3%	–
Lloyd's Managed Funds	641	13,117	–	9,444	10.4%	0.3%	2.7%	–
Total Cash	756	1,441	157	1,793	2.0%	5.5%	7.1%	6.3%
Total	1,397	125,826	11,960	91,182	100.0%	1.9%	7.6%	6.6%
As at 31 December 1999	713	88,783	14,322	66,693		–	4.4%	4.6

10 AMOUNTS DUE FROM THE MANAGING AGENT

Syndicate debtors and creditors include amounts due from the managing agent. These amounts mostly arise in respect of syndicate expenses, which are paid centrally by the agency through a specific central account funded by the syndicates on a regular basis. For short periods there may be amounts held in this central agency expense account.

11 SYNDICATE TAX COMPUTATIONS

The Inland Revenue has released draft regulations to effect the general insurance reserve proposals introduced in the 2000 Budget with the intention of making the regulations final in 2001.

The draft regulations will be applied to Lloyd's members on an underwriting year basis, but not as part of the syndicate determination. Members will have to make the necessary adjustments themselves. The draft regulations are expected to apply to members of Lloyd's who hold a participation of at least 4% in a syndicate. The proposals require such a member to calculate a notional interest charge or deduction based on a comparison between the provision for future liabilities set up in respect of a year of account when calculating the reinsurance to close ('RITC') to close a year of account and the discounted value of claims paid and provisions for future liabilities made in respect of that year of account in subsequent years. The notional interest charge or deduction will be subject to taxation in future years.

The first underwriting year that will be reviewed under the new legislation will be the 1997 year of account. There will not be any additions made to the 1997 year of account. However if for a member, to whom the proposals apply, the deduction for RITC premium for that year exceeds the discounted value of reinsured liabilities, then an addition will be made in a later year as a result.

It is anticipated that Lloyd's will introduce regulations to require managing agents to provide the necessary information to members.

Tax computations for the 1994 to 1997 accounts relating to the syndicates of which syndicate 2001 is the successor, syndicate 2001 itself, syndicate 902 and syndicate 1141 have been agreed by the Inland Revenue.

12 FOREIGN CURRENCY EXPOSURE AND DISTRIBUTION

The year into which the RITC of an earlier year of account is closed is exposed to fluctuation in exchange rates during the period from 31 December to the date of the currency transaction. This foreign currency exposure is managed from 31 December to the date of eventual currency transactions, through either the sale of a currency profit or the purchase of a currency deficit.

RESULTS FOR A 'STANDARD' £10,000 SHARE

	2001 £	902 £	1141 £
Sterling	(819)	(178)	(2,285)
LATF\$ @ 1.49	268	1,006	62
LDTF\$ @ 1.49	-	(604)	(437)
Combined Sterling	(551)	224	(2,660)

In July 1995, the Lloyd's Dollar Trust Fund ('LDTF') was established governing from that date the US dollar funds in which syndicates traded. Prior to that all US dollar business was governed by the Lloyd's American Trust Fund Deed ('LATF'). The new arrangements included the establishment of separate 'situs' funds for US situs business over which the US regulators apply separate solvency requirements. Part of the LDTF funds are in relation to 'non-situs' business and so are subject to the UK solvency requirements only. A material element of the 1998 account result is in LATF dollars over which the US regulators continue to require solvency at a member level. It is only where this test shows an overall surplus that LATF US dollar profits in respect of the 1998 and prior accounts may be released to members.

Similarly, the Canadian authorities apply a solvency test as at 31 December 2000, but at a market level rather than at a member level, and the result of the Canadian dollar solvency test will not be known until April 2001.

To accommodate these requirements (and thereby following instructions from the Members' Services Unit ('MSU') at Lloyd's) the agency will be distributing the 1998 account syndicates' LATF US dollar profits, in US dollars, to the MSU.

The 1998 account results for a 'standard' £10,000 share to be 'distributed' or 'collected' are illustrated above.

Syndicate 2001's LDTF US dollar losses have been sold for Sterling thereby increasing the amount to be collected from members in sterling via the MSU. Syndicate 902's Sterling and LDTF US dollar losses will be collected in currency via the MSU. Syndicate 1141's Sterling cash call, made previously on the 28 February 2001, has been sold for LDTF US dollars thereby reducing the amount to be collected in LDTF US dollars via the MSU. Collections are to be received by the syndicates before 30 June 2001. Amounts not received by that date will attract an interest charge.

Members for the 1998 account are advised that a foreign exchange risk exists until the LATF US dollars being distributed are available for, and then actually sold by, each member. Management of this potential exposure cannot continue by the agency, once distribution to the MSU of the LATF profits has taken place.

13 SYNDICATE ANNUAL GENERAL MEETINGS

The Board of Amlin Underwriting Limited proposes to re-appoint Deloitte & Touche as auditors to syndicates 2001, 902 and 1141 for a period of one year with effect from 31 March 2001 and it is proposed not to hold an AGM for the syndicates in 2001.

Notice is hereby given that any member wishing to object to either of these proposals should contact the Company Secretary, Amlin Underwriting Limited at St Helen's, 1 Undershaft, London EC3A 8ND. If no objections have been received by 30 April 2001 the proposals will be adopted.

	Audited 15 months 31.03.97 £'000	Audited 12 month 31.03.98 £'000	Audited 9 months 31.12.98 £'000	Audited 12 months 31.12.99 £'000	Unaudited 12 months 31.12.00 £'000
Gross capacity for year					
in which accounting period ends	528,600	528,700	528,700	453,051	537,234
Fee income	3,030	2,877	2,038	2,261	2,542
Operating expenses	12,821	1,313	2,805	1,955	2,328
Net profit commission	14,590	7,906	8,100	813	175
Other income net of related expenses	2,043	1,166	1,172	1,285	151
Profit before tax	6,842	10,636	8,505	2,404	540
Net assets	5,242	5,047	5,901	1,569	1,799

The information shown above does not constitute the Company's statutory accounts. Audited statutory accounts for the period ending in the calendar years shown have been delivered to the registrar. The Company's audit reports for all the financial periods have been unqualified.

14 FINANCIAL INFORMATION FOR AMLIN UNDERWRITING LIMITED

The table above details certain key information which has been extracted from the accounts of Amlin Underwriting Limited. Included in 'operating expenses' for the period to 31 March 1997 is the agency's 'Reconstruction and Renewal' contribution of £11.6 million. This contribution was substantially funded by the early distribution of profit commission through the Lloyd's 'Triple Release' initiative.

15 TERMS OF BUSINESS

For the 2001 year of account terms of business for syndicate 2001 have been amended following the approval of the syndicate merger. Agency fees remain unchanged at 0.5% of managed allocated capacity. However, profit commission terms have been revised to a flat 15% on the overall result of syndicate 2001, simplifying previous arrangements.

Previously members of syndicate 2001 were charged 12% profit commission on the overall result of syndicate 2001 and 3% profit related pay was charged to syndicate expenses based on divisional profits. Members of syndicates 902 and 1141 were charged 17.5% profit commission.

16 ERRORS AND OMISSIONS INSURANCE

The agency has errors and omissions insurance which expires on 31 March 2001 and negotiations with brokers are currently underway to renew the insurance.

17 REINSURANCE RESUMES

Reinsurance resumes for the syndicates, as approved by the board of the agency, are available for inspection at the office of the agency in accordance with the standard managing agent's agreement.

18 MANAGING AGENT'S OPERATIONS

With the exception of certain data processing functions and investment management, all of the operations of the agency for the period under review were performed in house and none were sub-contracted. During the year the data processing functions of the agency have been outsourced to Electronic Data Systems Limited. In addition the agency is in the process of transferring its syndicates' London Market businesses onto a single underwriting system developed by ROOM Underwriting Systems Ltd. Previously syndicate 2001's London Market businesses have operated on systems developed in house and syndicates 902 and 1141 on a system developed by Insurance Technology Solutions plc.

19 LOCATION OF ACCOUNTING RECORDS

Certain accounting records are located at Summit House, Waterloo Lane, Chelmsford, Essex CM1 1YG. The remaining accounting records are located at the underwriting 'boxes' and St Helen's, 1 Undershaft, London, EC3A 8ND.

This report was approved at a meeting of the board of directors of Amlin Underwriting Limited and signed on their behalf.

A M Davies Chairman
20 March 2001

BASIS OF PRESENTATION

The accounts have been prepared in accordance with the Lloyd's Syndicate Accounting Rules, except that in one instance in each underwriting account there has been a departure (without any effect on the figures concerned) from the order of presentation for syndicate personal expenses as prescribed by the rules.

UNDERWRITING TRANSACTIONS

Each underwriting account is normally kept open for three years before the underwriting result is determined. This allows account to be taken of claims incurred and adjustments of premiums arising after the end of the first year. The underwriting account is normally closed by reinsurance into the following year of account.

The balances on open accounts are subject to further transactions, which may be material in amount, up to their respective dates of closure, and no provision has been made for such transactions nor for the unsettled liabilities of these accounts. Adjustments have been made for known material reinsurance recoveries in respect of paid claims on open years of account.

Gross premiums are allocated to years of account on the basis of the inception date of the policy. Commission and brokerage are charged to the same year of account to which the relevant policy is allocated.

Reinsurance premiums paid to purchase policies which provide excess of loss protection are charged to the year of account in which the protection commences. Premiums for other reinsurances are charged to the same year as the risks being protected.

Gross claims are defined as those claim transactions passed through the Lloyd's Policy Signing Office up to the balance sheet date, and the internal and external claims settlement expenses allocated to those transactions.

Gross claims and reinsurance recoveries (less provision for doubtful debt) are attributed to the same year of account as the original premium for the underlying policy. Reinstatement premiums payable in the event of a claim being made are charged to the same year of account as that to which the recovery is credited.

REINSURANCE TO CLOSE

Each underwriting account is normally closed by reinsurance into the following open year of the syndicate, which takes over all existing and future liabilities of the closing account and all previous accounts reinsured therein in return for a premium which is determined by the underwriter and approved by the agency.

Calculation of the premium for the reinsurance to close is based on all existing and future estimated outstanding liabilities (including related claims settlement costs) and assets which include an estimate for an amount for claims incurred but not reported, net of estimated reinsurance recoveries, relating to the closing year of account, and all years of account previously reinsured into it. In the calculation or estimate of reinsurance recoveries an assessment is made of the ability of reinsurers to meet their liabilities as they fall due, and where payment is doubtful, an appropriate provision is made. Ultimate claims settlements net of reinsurance are estimated having regard to previous claims experience (including the use in certain cases of statistically based projections) and case by case review of notified losses.

Although the estimate of net outstanding liabilities is considered to be fair and reasonable, on the basis of the information available at the date of determining the reinsurances to close, the ultimate liabilities will vary as a result of subsequent information and events. Adjustments to the estimates of ultimate liabilities are reflected in underwriting accounts for the years which accept the reinsurances to close.

FOREIGN CURRENCIES

The syndicates maintain three separate currency funds, namely Sterling, US dollars and Canadian dollars. In addition syndicate 902 maintains a separate Euro fund. Transactions, assets and liabilities in these additional currencies are translated into Sterling at the exchange rates ruling at the balance sheet date (US\$ 1.49, CAN\$ 2.24, Euro 1.59). The comparative figures are translated into Sterling at the exchange rates ruling at 31 December 1999 (US\$ 1.61, CAN\$ 2.34, Euro 1.61).

Foreign currency transactions other than those mentioned above are converted into Sterling at the rate ruling at the transaction date and any differences arising are treated as an adjustment to the transaction concerned.

'Calendar year movements' shown in the underwriting accounts include exchange differences on retranslating brought forward cumulative information.

Profits and losses on US dollars and Canadian dollars bought or sold to liquidate a closed year of account after 31 December are allocated to the year of account into which the liabilities of the closed year have been reinsured.

INVESTMENTS

Investments are stated at market value at the balance sheet date. The cost of syndicate investments held at the balance sheet date is shown in the notes to the accounts and is deemed to be the aggregate of the value of investments held at the last balance sheet date, and the cost of any new investments acquired during the year.

OVERSEAS DEPOSITS

Overseas deposits are stated at the market value ruling at the balance sheet date.

INSURANCE DEBTORS AND CREDITORS

In the normal course of business, settlement is required to be made with Lloyd's Central Accounting, the market settlement bureau, on the basis of the net balance due to or from insurance brokers in total rather than the amounts due to or from the individual parties which it represents.

The legal status of this practice of net settlement is uncertain and in the event of an insolvency it is generally abandoned. FRS 5 'Reporting the substance of transactions' requires that offset of assets and liabilities should be recognised in financial statements where the offset is legally enforceable and would survive the insolvency of the other party. Accordingly insurance debtors and creditors, as presented, comprise respectively the totals of all the syndicates' individual outstanding debit and credit transactions before any offset. No account has been taken of any offsets which may be applicable in calculating the net amounts due between syndicates and each of their counterparty insurers, reinsurers or intermediaries as appropriate. The resultant totals give no indication of future cashflows.

INVESTMENT RETURN

The investment return comprises investment income, investment gains less losses, and is net of investment expenses and charges.

Where it can be specifically identified, the investment return is allocated to a particular year of account. All other investment returns in a calendar year are apportioned to the years of account in proportion to the average funds available for investment on each year of account.

Where a syndicate has negative funds for a year of account an interest charge is levied to that year, by the other years of account. The interest charge is shown within syndicate expenses.

SYNDICATE OPERATING EXPENSES

Where expenses are incurred by the managing agent, or on behalf of the managing agent, for the administration of a managed syndicate, these expenses are apportioned using varying methods depending on the type of expense. Expenses which are incurred jointly for the agency company and managed syndicates are apportioned between the agency company and the syndicates on the basis of work performed, resources used and the volume of business transacted.

In accordance with the Syndicate Accounting Byelaw (No 18 of 1994), all syndicate operating expenses are allocated to the year of account for which they are incurred.

TAXATION

No provision has been made in respect of UK income tax on trading income. It is the responsibility of members' agents to deduct basic rate income tax in respect of the result for each of their underwriting members and to account for this to the Inland Revenue on behalf of the underwriting members for whom they act.

Overseas taxation comprises US Federal Income tax and Canadian Federal Income tax. The amounts charged to members are collected centrally through the MSU as part of the members' distribution process. The ultimate tax liability is the responsibility of each individual underwriting member.

MEMBERS' AGENTS FEES ON ACCOUNT

Managed syndicates pay an amount to members' agents on account of their fees, while the members continue to have the managing agent's fees charged as a syndicate personal expense. These on account members' agent fee deductions are separately identified on the balance sheet.

MOTOR INSURANCE BUREAU LEVY

Motor syndicates (and other direct UK motor underwriters) are required by statute to pay a levy to the Motor Insurance Bureau (MIB). The purpose of the MIB is to compensate third parties who have suffered a loss as a result of a motor accident with an uninsured motorist. These claims are then recovered from the UK motor market, by means of a levy which is apportioned on the basis of the amount and type of motor business written. In accordance with market practice the levy has been included as a paid claim within these accounts.

The Syndicate Accounting Byelaw (No 18 of 1994) requires the managing agent to prepare an annual report for each syndicate managed by it at 31 December each year.

As managing agent, Amlin Underwriting Limited must prepare the annual reports, personal accounts and Syndicate MAPA accounts in accordance with the Lloyd's Syndicate Accounting Rules, so as to give a true and fair view of the closed year result.

In preparing the annual reports, personal accounts and Syndicate MAPA accounts, Amlin Underwriting Limited is required to:

- select suitable accounting policies which are applied consistently and, where there are items which affect more than one year of account, ensure a treatment which is equitable as between the members of the syndicates affected. In particular, the amount charged by way of premium in respect of the reinsurance to close shall, where the reinsuring members and the reinsured members are members of the same syndicate for different years of account, be equitable between them, having regard to the nature and amount of the liabilities reinsured;

- make judgements and estimates that are reasonable and prudent;
- take into account all income and charges relating to a closed year of account in the underwriting account prepared in respect of that year of account, without regard to the date of receipt or payment; and
- follow applicable UK accounting standards, subject to any material departures disclosed and explained in the annual report.

Amlin Underwriting Limited is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the syndicates and which enable it to ensure that the annual reports, personal accounts and Syndicate MAPA accounts comply with the Lloyd's Syndicate Accounting Rules. Amlin Underwriting Limited is also responsible for safeguarding the assets of the syndicates and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF SYNDICATE 2001, SYNDICATE 902 AND SYNDICATE 1141

We have audited the annual reports of syndicates 2001, 902 and 1141 on pages 31 to 46, pages 51 to 66 and pages 71 to 87 respectively, which have been prepared in accordance with the accounting policies set out on pages 18 to 22.

RESPECTIVE RESPONSIBILITIES OF THE MANAGING AGENT AND AUDITORS

As described on page 23, the managing agent is responsible for the preparation of the annual reports in accordance with the Lloyd's Syndicate Accounting Rules and applicable United Kingdom accounting standards. It is our responsibility to form an independent opinion, based on our audit, on the annual reports and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the annual reports. It also includes an assessment of the significant estimates and judgements made by the underwriters and managing agent in the preparation of the annual reports and of whether the accounting policies are appropriate to the syndicates' circumstances, consistently applied and adequately disclosed.

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

OPINION

In our opinion the annual reports have been properly prepared in accordance with the Lloyd's Syndicate Accounting Rules and give a true and fair view of the 1998 closed year of account results.

Deloitte & Touche

Chartered Accountants and Registered Auditors
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR
20 March 2001

SYNDICATE 2001

26	Underwriter's Report
31	Underwriting Accounts
34	Balance Sheet
35	Notes to the Accounts
46	Summary of Results

THE STRONG ACTION TAKEN IS BEGINNING TO MANIFEST ITSELF IN IMPROVED PERFORMANCE AGAINST OUR COMPETITORS

OVERVIEW

The 1998 result and 1999 forecast for syndicate 2001 are disappointing, although this performance should be looked at in the context of appalling underwriting conditions for most areas of insurance. UK motor and all casualty areas were particularly difficult and these areas represented around 40% of our portfolio of business in these years.

The strong action taken to correct poorly performing underwriting areas during 1998 and 1999, particularly the cessation of the former syndicate 919's business, is beginning to manifest itself in improved performance against our competitors, and we are pleased that our forecast results have largely held up against a background of overall market deterioration.

The 2000 calendar year will, I believe, be seen by the market as the time when syndicate 2001 took shape with a rational divisional structure and capacity allocated to one team of underwriters for each class of business. We are already seeing the benefits of this restructuring.

Market conditions for many of the classes in which we operate are at last improving and the tightening of the reinsurance market will give impetus to further improvements.

THE BUSINESS OF THE SYNDICATE

The syndicate writes a composite account through four operating divisions:

Division	Business
Amlin Aviation	Aviation
Amlin Insurance Services	Motor and UK Insurance
Coles	Marine
Harvey Bowring	Non-Marine and Reinsurance

The breakdown of premium income for years 1998 to 2000 is set out in Table 1 and the manner in which this business is accepted is illustrated in Table 2.

OUTWARDS REINSURANCE ARRANGEMENTS

An analysis of reinsurance premium ceded is detailed in Table 3. From 1 January 2001 following the restructuring of the syndicate, we have simplified the reinsurance protection. Each division purchases specific protection on a 'per risk' basis up to the syndicate line size and varying levels of catastrophe cover. Further overall umbrella protection is bought to protect against major catastrophe events in a single vertical programme. Proportional treaties are used to supplement line size and protect certain classes.

TABLE 1 ANALYSIS OF BUSINESS BY EC DIRECTIVE CATEGORIES

	1998 Account		1999 Account		2000 Account	
	Gross £'000	Net £'000	Gross £'000	Net £'000	Gross £'000	Net £'000
Direct business analysed as:						
Accident and health	23,584	20,186	11,021	10,829	3,017	2,940
Assistance	504	506	837	401	483	483
Credit and suretyship	2,038	1,938	5,419	5,305	3,123	2,748
Fire and other damage to property	26,067	20,334	29,539	21,618	28,665	18,802
Legal expenses	318	288	478	449	75	75
Marine, aviation and transport	36,392	24,551	40,689	29,324	25,276	17,544
Miscellaneous financial loss	2,856	2,703	2,041	2,035	614	583
Motor third party liability	12,927	12,927	17,235	17,232	19,464	19,464
Motor other	59,433	56,475	78,824	72,778	76,695	68,209
Third party liability	77,270	56,441	61,069	45,257	28,116	15,328
	241,389	196,349	247,152	205,228	185,528	146,176
Reinsurance acceptances	60,416	17,556	72,746	38,537	84,330	43,061
	301,805	213,905	319,898	243,765	269,858	189,237

ILLINOIS LICENSED BUSINESS

The syndicate does write Illinois business in a number of classes and through a number of sources. However, the volumes and aggregates are not material to the syndicate. The arrangements for writing Illinois licensed business for the 1999 and previous years of account required licensed members, ie non-US external individual members to write the business and to cede a proportion to the non-licensed members. The risk was then retroceded to all the members on the syndicate so that each member received that proportion of the risk that relates to his participation on the syndicate in the normal way. Provision for such arrangements is made in the Agency Agreements Byelaw. This requirement has been abolished for business written for the 2000 and future years of account.

UNDERWRITING PERFORMANCE

1998 and Prior Years of Account

Reserves have, again, proved more than adequate for liabilities arising on closed years across the syndicate resulting in a release of £12.1m. The strength of our reserves emanates from robust internal reserving processes, although some areas, particularly US casualty and personal accident have shown further deterioration during the year.

The 1998 year of account appears to represent the bottom of the cycle for syndicate 2001 and the loss of 5.5% is as predicted for several months. Utilisation of capacity was only 57.1% as our underwriters adopted a defensive policy in the deteriorating market conditions.

Most areas of insurance experienced intense competition during 1998 and premium income was simply inadequate for a normal level of attritional loss. This was particularly the case for UK motor, marine hull, cargo and US commercial lines business. In the US, poor rates alongside increasing claims on the casualty account, has caused a severe downturn in the performance of this important part of syndicate 2001's account. A more selective underwriting approach, particularly on the products account, has assisted the aviation team to an improved result, albeit still in the red. The performance of former syndicate 919, especially the international professional indemnity and personal accident accounts, was particularly poor.

Against this depressing picture, there were some areas of the account which continued to record profits. Marine liability, specie and war, and the property reinsurance accounts are the most notable of these.

1999 Year of Account

For the 1999 year, capacity was reduced to £453m, in part due to the cessation of former syndicate 919. However, gross premium income is forecast to increase by £31m to £333m. The measures adopted have resulted in a significant improvement in the net loss ratios for the 1999 account, compared to the 1998 account with the 1999 net incurred loss ratio now 10% better than 1998 was at the 24th month stage.

THERE ARE A NUMBER OF BENEFITS WHICH HAVE AND WILL EMERGE FROM THE REORGANISATION OF THE SYNDICATES

We continue to forecast a loss of 1% to 6% which we anticipate will be a reasonable result when measured against the market.

The competitive environment remained extremely difficult during 1999 with some improvements emerging, for instance, in UK commercial motor, too late in the year to have any meaningful impact on returns. The marine area should break even, but this is insulated by the continuation of a defensive underwriting strategy adopted by the underwriting team. The aviation portfolio result has benefited from a far more effective reinsurance programme and strong action taken on the poor performing parts of the products account. Non-marine is greatly improved but is still affected by poor performing US casualty lines, particularly auto liability and medical malpractice. The UK casualty account was further reduced as the Drysdale unit was combined with the UK motor operation managed by Brian Carpenter.

The excess of loss account although impacted by a number of losses to the international book, most notably the storms affecting Northern Europe in the autumn, will return a gross and net profit. This profitable result is a strong contrast to many of our competitors in the marketplace who have recorded significant losses and, in some cases, ceased to trade.

These catastrophe events, the large number of individual risk losses and the resulting withdrawals have provided the impetus required to restore some signs of sanity to the reinsurance marketplace.

2000 Year of Account

Capacity for the syndicate was reduced further to £424m, reflecting our desire to improve utilisation and reduce personal expenses. We currently expect the 2000 year to continue the trend of improving performance although a large proportion of the account is still on risk. The net incurred loss ratio at 12 months is 36% which is 8% better than 1999 and 23% better than the 1998 account at the same stage.

Rate improvements in a number of areas have seen the forecast gross premium income increase from £333m for 1999 to £392m for 2000. The most substantial improvement in conditions has been in the UK commercial motor market where the Summit team, as a recognised leading market, has benefited from the departure of several company market competitors for fleet and haulage business. This portfolio is expected to return to profit for this year of account.

Improvements have also been evident in the aviation market where some high profile losses have impacted our competitors and airline rates have begun to increase significantly, albeit from a very low base.

TABLE 2 METHODS OF ACCEPTANCE

	1998 Account	1999 Account	2000 Account
Direct and facultative	35%	41%	51%
Binding authorities	14%	12%	8%
Lineslips	11%	11%	7%
Reinsurances	38%	33%	32%
Other	2%	3%	2%
	100%	100%	100%

TABLE 3 ANALYSIS OF REINSURANCE PREMIUMS CEDED

	1998 Account	1999 Account	2000 Account
Lloyd's syndicates	12%	14%	15%
UK authorised insurance companies	40%	43%	43%
EC insurance companies	3%	3%	3%
Other	45%	40%	39%
	100%	100%	100%

TABLE 4 ANALYSIS BY CURRENCY OF GROSS PREMIUMS

	1998 Account	1999 Account	2000 Account
Sterling	41%	46%	49%
US dollars	58%	52%	49%
Canadian dollars	1%	2%	2%
	100%	100%	100%

The defensive strategy has continued to be necessary in the marine area where the turnaround has been slower.

The 2000 calendar year has been a relatively benign one for catastrophe losses affecting the insurance industry and we anticipate a good return from the catastrophe reinsurance portfolio. Opportunities also opened up for our property underwriting team in the US where conditions in commercial lines have improved for the first time in many years. However, some parts of the non-marine account, particularly US casualty lines, have responded slowly to continuing poor results and in spite of action to improve performance, will still record losses for the 2000 year.

2001 and the Future

In October 2000 Amlin Underwriting announced a restructuring of syndicate 2001 following the agreement to the merger with syndicates 902 and 1141. This involved the reorganisation of the syndicate into four clearly defined divisions. There are a number of benefits which have and will emerge from this change. These benefits include:

- a more efficient allocation of capacity to our underwriters from both an income and exposure standpoint, resulting in improved line size utilisation and stronger leadership positions;

- a clearer structure for brokers and clients;
- the integration of reinsurance programmes to provide better protection at a lower comparative cost; and
- the reduction in syndicate expenses.

Following the merger of syndicate 2001 with syndicates 902 and 1141 from 1 January 2001, the syndicate has a capacity of £575m which represents a small pre-emption from the combined capacity of the three syndicates in 2000. We believe that syndicate 2001 is very well placed to take advantage of the opportunities in an improving market and we anticipate leading more business and often writing larger lines. Currently, we envisage writing to around 90% of capacity.

The Aviation Division under Rod Dampier is a reputable leader with a long established team with strong claims and wording support. The unit is increasingly being requested by brokers to take a higher profile. The rating environment is improving, although the team will continue to exercise caution, particularly on products business.

The Amlin Insurance Services Division is enjoying a buoyant UK motor market and will continue to develop other products for UK clients. However, the cautious approach in respect of private car business will continue.

SYNDICATE 2001 IS NOW IN A PRIME POSITION TO REAP THE REWARDS OF A MORE FAVOURABLE INSURANCE MARKET

The public and employers liability accounts are beginning to expand after three years of reduction, and the UK professional indemnity account will be expanded further if opportunities arise. The UK commercial package facility will also be grown carefully during the year.

The Harvey Bowring Division, which is now my direct responsibility, continues its long history of leadership in areas of reinsurance, US casualty, direct property as well as accident and health. The combination of the Coles and Harvey Bowring books results in one of the largest and most influential XL reinsurance operations in the London Market. We anticipate strong growth in the short tail areas during the 2001 calendar year. Amlin Credit, our on-line UK commercial credit facility is set to expand through a new product aimed at the SME market. A very robust underwriting approach is now being adopted for the casualty, auto and property binder accounts and we are prepared to shed income in order to restore profitability to these areas.

The Coles Division, now led by Simon Beale, will show little expansion as improvements in this area are patchy. Continued effort will be made to expand the service companies, Angerstein Transit for cargo business and Haven Knox-Johnston for yacht business. Otherwise the account will remain concentrated on non-attritional areas until conditions improve.

Reinsurance protection for the syndicate has been purchased according to plan although higher retentions have been necessary for most classes and catastrophe protection is increasingly scarce and more costly. While we have been able to reduce the attachment point of the catastrophe protection through the merger of the programme following restructuring, we have increased the level of retained co-insurance. We have decided to retain more risk because of very robust retrocessional pricing. The net exposures of the syndicate still remain at a prudent level.

The 2001 year of account is a transitional year following the soft markets of the previous four years. It is characterised by a very firm retrocessional reinsurance market which will help to accelerate the more gradual improvements in our core lines of insurance and first line reinsurance. If past cycles prove an accurate guide, the 2002 year of account should be the point at which most areas of our portfolio reach pricing levels that produce the returns our capital providers require.

Syndicate 2001 has undertaken a major restructuring of its business divisions and is now in a prime position to reap the rewards of a more favourable insurance market.

A W Holt Underwriter
20 March 2001

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Syndicate allocated capacity				528,697	528,619
Gross premiums written (net of brokerage)		273,230	28,575	301,805	306,986
Outward reinsurance premiums		(73,248)	(14,652)	(87,900)	(96,347)
Net premiums		199,982	13,923	213,905	210,639
Reinsurance to close premium received from earlier years of account		271,302	11,152	282,454	274,585
Gross claims paid		(134,851)	(162,123)	(296,974)	(248,778)
Reinsurers' share		24,681	43,381	68,062	50,933
Net claims		(110,170)	(118,742)	(228,912)	(197,845)
Reinsurance premium paid to close the 1998 year of account	1	–	(284,871)	(284,871)	(266,021)
Underwriting balance		361,114	(378,538)	(17,424)	21,358
Profit/(loss) on exchange		47	(212)	(165)	1,373
Syndicate operating expenses	2	(27,160)	(5,986)	(33,146)	(28,182)
Balance on technical account before exceptional income	3	334,001	(384,736)	(50,735)	(5,451)
Exceptional income	4	–	–	–	5,250
Balance on technical account		334,001	(384,736)	(50,735)	(201)
Investment income	5	5,559	25,066	30,625	27,544
Investment expenses and charges	5	(340)	(137)	(477)	(426)
Investment gains less losses	5	(1,474)	3,492	2,018	(6,006)
Balance on year of account before syndicate personal expenses		337,746	(356,315)	(18,569)	20,911
Aggregate syndicate personal expenses	7	(11,993)	–	(11,993)	(11,655)
Balance on open year of account after syndicate personal expenses		325,753			
Result for the closed year of account after syndicate personal expenses				(30,562)	9,256

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Syndicate allocated capacity				452,971	528,697
Gross premiums written (net of brokerage)		214,511	105,387	319,898	273,230
Outward reinsurance premiums		(68,541)	(7,592)	(76,133)	(73,248)
Net premiums		145,970	97,795	243,765	199,982
Reinsurance to close premium received from earlier years of account	1	–	286,957	286,957	271,302
Gross claims paid		(38,900)	(127,324)	(166,224)	(134,851)
Reinsurers' share		8,553	34,608	43,161	24,681
Net claims		(30,347)	(92,716)	(123,063)	(110,170)
Underwriting balance		115,623	292,036	407,659	361,114
Profit/(loss) on exchange		–	(87)	(87)	47
Syndicate operating expenses	2	(18,983)	(8,751)	(27,734)	(27,160)
Balance on technical account		96,640	283,198	379,838	334,001
Investment income	5	1,386	5,477	6,863	5,559
Investment expenses and charges	5	(119)	(15)	(134)	(340)
Investment gains less losses	5	(719)	1,358	639	(1,474)
Balance on open year of account before syndicate personal expenses		97,188	290,018	387,206	337,746
Aggregate syndicate personal expenses	7	(8,381)	–	(8,381)	(11,993)
Balance on open year of account after syndicate personal expenses		88,807		378,825	325,753

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 Account at 12 months £'000	1999 Account at 12 months £'000
Syndicate allocated capacity		423,386	452,971
Gross premiums written (net of brokerage)		269,858	214,511
Outward reinsurance premiums		(80,621)	(68,541)
Net premiums		189,237	145,970
Gross claims paid		(32,494)	(38,900)
Reinsurers' share		4,035	8,553
Net claims		(28,459)	(30,347)
Underwriting balance		160,778	115,623
Loss on exchange		(15)	–
Syndicate operating expenses	2	(19,156)	(18,983)
Balance on technical account		141,607	96,640
Investment income	5	2,165	1,386
Investment expenses and charges	5	(259)	(119)
Investment gains less losses	5	684	(719)
Balance on open year of account before syndicate personal expenses		144,197	97,188
Aggregate syndicate personal expenses	7	(7,409)	(8,381)
Balance on open year of account after syndicate personal expenses		136,788	88,807

AS AT 31 DECEMBER 2000

	Note	2000 £'000	1999 £'000
Assets			
Financial investments	8	364,469	317,743
Debtors	9	118,465	112,193
Other assets:			
Cash at bank and in hand		16,189	12,237
Overseas deposits	10	28,268	31,792
Prepayments and accrued income		7,403	5,517
Total assets		534,794	479,482
Liabilities			
2000 (1999) open year of account balance after one year			
Members' agent fees on account		136,788	88,807
		(2,128)	(2,092)
		134,660	86,715
1999 (1998) open year of account balance after two years			
Members' agent fees on account		378,825	325,753
		(2,091)	(2,343)
		376,734	323,410
1998 (1997) account result			
Members' agent fees on account		(30,562)	9,256
		(2,343)	(2,540)
		(32,905)	6,716
Creditors	11	56,301	61,605
Accruals and deferred income		4	1,036
Total liabilities		534,794	479,482

This annual report was approved at a meeting of the board of directors of Amlin Underwriting Limited and by the underwriter on 20 March 2001.

A W Holt Underwriter

A M Davies Chairman

1 REINSURANCE PREMIUM TO CLOSE THE 1998 YEAR OF ACCOUNT

	1998 Pure £'000	1997 and Prior £'000	1998 Account total £'000	1997 Account total £'000
Gross notified outstanding claims	84,036	231,547	315,583	269,596
Reinsurance recoveries anticipated	(38,757)	(91,886)	(130,643)	(89,046)
Net notified outstanding claims	45,279	139,661	184,940	180,550
Provision for gross claims incurred but not reported	55,232	78,126	133,358	100,165
Reinsurance recoveries anticipated	(24,327)	(17,756)	(42,083)	(21,308)
Provision for net claims incurred but not reported	30,905	60,370	91,275	78,857
Claims handling provision	3,997	4,659	8,656	6,614
Reinsurance premium to close the 1998 and prior years of account	80,181	204,690	284,871	266,021

The 1999 account received an additional reinsurance to close premium of £2,086,482 (1998 account: £5,280,443) from syndicate 173 in respect of the 1998 (1997) account of that syndicate.

The Harvey Bowring Division effected a whole account stop loss policy to protect the 1998 account. Under the terms of the policy the division paid a premium of £7,800,000, which has been accounted for within 'outward reinsurance premiums' in the 1998 account. Under the policy claims of up to £14,800,000 in aggregate settled by the division on the 1998 account in excess of a minimum of £60,000,000, are recoverable. Full credit was taken in respect of this policy within the reinsurance to close premium at 31 December 2000.

Similarly a whole account stop loss policy to protect the 1997 account was also purchased by the division. A premium of £14,500,000 was charged to the 1997 account and was accounted for within 'outward reinsurance premiums'. Claims of up to £20,862,000 in aggregate settled by the division on the 1997 account in excess of a minimum of £42,250,000 are recoverable. Full credit was taken in respect of this policy within the reinsurance to close premium at 31 December 1999.

2 SYNDICATE OPERATING EXPENSES

	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Staff and related costs	14,653	921	15,574	15,273
Premises costs	1,917	430	2,347	2,173
Office running costs	1,543	(31)	1,512	1,500
Computer costs	2,028	276	2,304	1,404
Lloyd's overseas operating expenses	1,128	409	1,537	1,308
Lloyd's premium levy	3,036	253	3,289	3,313
Lloyd's processing costs	738	189	927	654
Auditors' remuneration	157	27	184	361
Other professional fees	362	80	442	416
Miscellaneous	1,013	874	1,887	1,506
Interest charges	1,926	2,976	4,902	3,150
Gross syndicate operating expenses	28,501	6,404	34,905	31,058
Expense credits	(1,341)	(418)	(1,759)	(2,876)
	27,160	5,986	33,146	28,182

2 SYNDICATE OPERATING EXPENSES CONTINUED

	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Staff and related costs	13,482	1,862	15,344	14,653
Premises costs	1,614	916	2,530	1,917
Office running costs	1,136	(141)	995	1,543
Computer costs	1,367	582	1,949	2,028
Lloyd's overseas operating expenses	164	622	786	1,128
Lloyd's premium levy	1,642	1,801	3,443	3,036
Lloyd's processing costs	318	220	538	738
Auditors' remuneration	72	23	95	157
Other professional fees	306	139	445	362
Miscellaneous	939	1,155	2,094	1,013
Interest charges	557	1,242	1,799	1,926
Gross syndicate operating expenses	21,597	8,421	30,018	28,501
Expense credits	(2,614)	330	(2,284)	(1,341)
	18,983	8,751	27,734	27,160
			2000 Account at 12 months £'000	1999 Account at 12 months £'000
Staff and related costs			10,127	13,482
Premises costs			2,193	1,614
Office running costs			785	1,136
Computer costs			2,297	1,367
Lloyd's overseas operating expenses			407	164
Lloyd's premium levy			2,108	1,642
Lloyd's processing costs			546	318
Auditors' remuneration			107	72
Other professional fees			194	306
Miscellaneous			1,447	939
Interest charges			595	557
Gross syndicate operating expenses			20,806	21,597
Expense credits			(1,650)	(2,614)
			19,156	18,983

During calendar year 2000 the underwriter's gross remuneration, including pension contributions charged to the syndicate was £363,614. During calendar year 1999 the departing underwriter, Mr R J R Keeling's, gross remuneration charged to the syndicate, including pension contributions and compensation for loss of office was £139,638. The incumbent underwriter's salary as active underwriter was £95,616 during 1999.

Included within syndicate operating expenses for the 1998 account is £250,000 of profit related remuneration (1997 account: £941,000).

Expense credits include income from service companies as detailed in note 15. Included in the 1999 account expense credits is a charge of £1.3 million in respect of the loss for the year arising from the start-up costs for Amlin Credit Limited (1999: £1.4 million).

Gross syndicate operating expenses for the 1998 account, before Lloyd's premium levy, interest charges and claims handling adjustments are 3.8% greater than set out in the 1998 business plan. The principal variance relates to irrecoverable VAT charges.

3 BALANCE ON TECHNICAL ACCOUNT

	1998 Account £'000	1997 Account £'000
Balance attributable to business allocated to the 1998 (1997) year of account	(29,497)	6,302
Surplus on the reinsurance to close the 1997 (1996) account	12,073	15,056
	(17,424)	21,358
Profit/(loss) on exchange	(165)	1,373
Syndicate operating expenses	(33,146)	(28,182)
	(50,735)	(5,451)

4 EXCEPTIONAL INCOME

As disclosed in the managing agent's report, under the heading 'Service Companies and other shareholdings', Amlin Underwriting Limited from time to time acquires shareholdings in businesses in order to provide and maintain underwriting opportunities for syndicates. These shares are held in trust for the benefit of the syndicate's members from time to time participating in the underwriting. The costs associated with such projects, which are generally insignificant, are charged to the syndicate as business development expenses as incurred and any income or profits are credited to the syndicate. The syndicate's participation in the Industrial Risk Insurance (IRI) underwriting pools in the USA and Canada was an example of this. The circumstances of IRI were, however, exceptional in that the underwriting participation rights of the syndicate and of other underwriters were surrendered at the end of the 1996 contract in return for significant proceeds. The rights were first acquired in 1995 by syndicate 362 and subsequently increased with syndicate 2001 taking an equal line for its 1997 year of account, with the costs initially charged against syndicate expenses. The gain was allocated to syndicate 362, 1996 year of account and syndicate 2001, 1997 year of account in equal proportions, and is shown as exceptional income.

5 INVESTMENT RETURN

	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Investment income receivable	5,574	22,657	28,231	26,697
Accrued income	(15)	2,409	2,394	847
Investment income	5,559	25,066	30,625	27,544
Investment gains less losses	(1,474)	3,492	2,018	(6,006)
Gross investment return	4,085	28,558	32,643	21,538
Less: investment expenses and charges	(340)	(137)	(477)	(426)
	3,745	28,421	32,166	21,112

5 INVESTMENT RETURN CONTINUED

	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Investment income receivable	1,626	5,059	6,685	5,574
Accrued income	(240)	418	178	(15)
Investment income	1,386	5,477	6,863	5,559
Investment gains less losses	(719)	1,358	639	(1,474)
Gross investment return	667	6,835	7,502	4,085
Less: investment expenses and charges	(119)	(15)	(134)	(340)
	548	6,820	7,368	3,745
			2000 Account at 12 months £'000	1999 Account at 12 months £'000
Investment income receivable			2,147	1,626
Accrued income			18	(240)
Investment income			2,165	1,386
Investment gains less losses			684	(719)
Gross investment return			2,849	667
Less: investment expenses and charges			(259)	(119)
			2,590	548

6 CALENDAR YEAR INVESTMENT YIELD

	2000 £'000	1999 £'000
Average syndicate funds available for investment during the year	390,650	348,316
Aggregate gross investment return for the year	31,748	12,481
Gross calendar year investment yield:		
Sterling	8.8%	3.7%
United States dollars	7.8%	3.5%
Canadian dollars	7.4%	3.7%
Combined	8.1%	3.6%

The average amount of syndicate funds available for investment has been calculated as the monthly average balance of investments and overseas deposits. The yield percentages exclude immaterial sources of income and inter year interest.

7 SYNDICATE PERSONAL EXPENSES

	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Lloyd's subscriptions and guarantee fees	9,349	–	9,349	8,181
Agent's fees	2,644	–	2,644	2,643
Profit commission	–	–	–	831
	11,993	–	11,993	11,655

	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Lloyd's subscriptions and guarantee fees	6,116	–	6,116	9,349
Agent's fees	2,265	–	2,265	2,644
	8,381	–	8,381	11,993

	2000 Account at 12 months £'000	1999 Account at 12 months £'000
Lloyd's subscriptions and guarantee fees	5,292	6,116
Agent's fees	2,117	2,265
	7,409	8,381

Individual members' personal expenses are charged as incurred. The amounts due from members' in respect of US and Canadian Federal Income Tax have been excluded from syndicate personal expenses as these amounts have not arisen specifically from the activities of the syndicate. These amounts are shown in debtors and will be collected from members directly.

8 FINANCIAL INVESTMENTS

	2000 Cost £'000	2000 Market value £'000	1999 Cost £'000	1999 Market value £'000
Debt securities and other fixed income securities	304,255	308,998	282,540	277,507
Participation in investment pools	45,954	45,954	8,307	8,307
Deposits with credit institutions	3,800	3,891	26,741	26,990
Letters of credit collateral	5,626	5,626	4,939	4,939
	359,635	364,469	322,527	317,743

9 DEBTORS

	2000 £'000	1999 £'000
Brokers' balances		
Lloyd's Central Accounting balance:		
Arising out of direct insurance operations	6,564	6,546
Arising out of reinsurance operations	27,457	24,686
	34,021	31,232
Accruals		
Arising out of reinsurance operations	31,417	39,914
Other amounts due from brokers:		
Arising out of direct insurance operations	25,105	22,082
Arising out of reinsurance operations	5,504	4,798
	30,609	26,880
Taxation: Income tax deducted at source	2,211	1,615
RITC due from other syndicates	2,086	5,280
Amount due from managing agent	–	1,048
Syndicate 1141 loan	14,560	–
Overseas taxation	580	4,142
Other debtors	2,981	2,082
	118,465	112,193
Due after 12 months	602	4,825
Debtors are stated net of provisions for bad and doubtful debts as shown below:		
Arising out of direct insurance operations	223	390
Arising out of reinsurance operations	226	19
	449	409

10 OVERSEAS DEPOSITS

Deposit	Country	2000 £'000	1999 £'000
Australian Joint Asset Trust Funds	Australia	338	–
Australian Trust Fund	Australia	5,396	–
Japanese Statutory Deposit	Japan	254	5,602
South African Transitional Trust Fund	South Africa	5,229	7,638
South African Trust Fund	South Africa	900	149
Illinois Reserve	USA	4,768	4,450
Joint Asset Trust Fund	USA	8,495	7,725
Kentucky Trust Fund	USA	1,826	1,521
Additional Securities Limited Loan	Various	1,062	4,707
		28,268	31,792

11 CREDITORS

	2000 £'000	1999 £'000
Brokers' balances		
Lloyd's Central Accounting balance:		
Arising out of direct insurance operations	322	979
Arising out of reinsurance operations	11,168	13,929
	11,490	14,908
Accruals		
Arising out of reinsurance operations	15,072	41,112
Other amounts due to brokers:		
Arising out of direct insurance operations	2,410	1,293
Arising out of reinsurance operations	24,053	20
	26,463	1,313
Amounts due to managing agent	64	-
Claims deposit	771	944
Other creditors	2,441	3,328
	56,301	61,605
Due after 12 months	40	103

12 BALANCE ON CLOSED YEAR OF ACCOUNT

	2000 £'000	1999 £'000
1998 (1997) year of account result before personal expenses		
Sterling Trust Fund	(27,865)	(15,501)
Lloyd's American Trust Fund (\$21,147,296, 1997: \$21,974,858)	14,193	13,649
Lloyd's Dollar Trust Fund (\$(10,855,342), 1997: \$29,151,827)	(7,285)	18,107
Canadian Dollar Trust Fund (\$5,350,058, 1997: \$10,894,900)	2,388	4,656
	(18,569)	20,911
Transfers to members' premium trust funds		
Members' agents fees	(2,343)	(2,540)
Other personal expenses	(11,993)	(11,655)
Total withdrawals	(14,336)	(14,195)
1998 (1997) year of account balance after personal expenses and transfer to members' premium trust funds	(32,905)	6,716

Members' agents fees represent the amounts due by members to their agents in accordance with the separate agency agreements. These amounts do not appear on the Summary of Results on page 46.

Other personal expenses include £nil (1997: £830,845) in respect of profit commission due to the managing agent on the result of the account. This has been calculated in accordance with the terms of agency agreements for respective members.

	Currency '000	Currency '000
1998 (1997) result distributed/(collected) in		
Sterling	(47,097)	(5,161)
Lloyd's American Trust Fund dollars	21,147	19,122
Total in sterling at £1 = \$1.49 (1997: \$1.61)	(32,905)	6,716

Distribution in Canadian dollars is not permitted under the Lloyd's Canadian Trust Deed.

13 SEGMENTAL INFORMATION

	Fire and other property damage £'000	Marine aviation and transport £'000	Motor (third party liability) £'000	Motor other £'000	Third party liability £'000	Other direct £'000	Reinsurance acceptances £'000	Total £'000
2000 account at 12 months								
– risks located in the UK	1,760	1,270	16,794	67,653	5,432	3,034	10,400	106,343
– risks located in other EC countries	935	2,316	–	666	1,678	25	4,639	10,259
– risks located in other countries	25,969	21,690	2,670	8,376	21,005	4,255	69,291	153,256
Gross premiums	28,664	25,276	19,464	76,695	28,115	7,314	84,330	269,858
Gross claims paid	(3,560)	(5,753)	(2,900)	(13,967)	(455)	(1,754)	(4,105)	(32,494)
Gross operating expenses	(2,047)	(2,328)	(984)	(3,857)	(3,072)	(527)	(6,341)	(19,156)
Reinsurance balance	(8,813)	(7,180)	(937)	(5,423)	(12,763)	(217)	(41,254)	(76,587)
Average rate of commission	18%	17%	14%	14%	16%	20%	13%	15%
1999 account at 24 months								
– risks located in the UK	1,874	1,577	14,630	57,559	12,502	6,271	8,114	102,527
– risks located in other EC countries	1,202	3,617	–	3,235	3,735	171	3,616	15,576
– risks located in other countries	26,462	35,495	2,605	18,029	44,832	25,686	48,686	201,795
Gross premiums	29,538	40,689	17,235	78,823	61,069	32,128	60,416	319,898
Gross claims paid	(18,081)	(31,119)	(9,259)	(40,531)	(6,458)	(14,243)	(46,533)	(166,224)
Gross operating expenses	(2,564)	(3,650)	(1,186)	(5,572)	(6,448)	(1,705)	(6,609)	(27,734)
Reinsurance balance	(147)	(2,049)	(672)	(3,385)	(13,932)	(127)	(12,660)	(32,972)
Average rate of commission	20%	16%	16%	14%	16%	20%	13%	15%
1998 and prior at 36 months								
– risks located in the UK	2,575	2,377	9,958	37,096	16,487	4,242	8,114	80,849
– risks located in other EC countries	1,262	5,001	–	3,061	6,914	866	3,616	20,720
– risks located in other countries	22,230	29,014	2,969	19,276	53,869	24,192	48,686	200,236
Gross premiums	26,067	36,392	12,927	59,433	77,270	29,300	60,416	301,805
Gross claims paid	(28,415)	(43,657)	(13,252)	(56,913)	(76,808)	(37,438)	(40,491)	(296,974)
Gross operating expenses	(2,971)	(4,088)	(1,145)	(5,462)	(8,938)	(3,410)	(6,882)	(32,896)
Reinsurance balance	2,450	3,225	733	3,433	(904)	41,632	(30,731)	19,838
Average rate of commission	18%	17%	14%	14%	16%	20%	13%	15%

Gross premiums signed have been analysed by reference to the situs of risk and EC Directive category based on risk code. Gross operating expenses have been allocated to categories in proportion to their respective gross premium incomes. The reinsurance balance comprises reinsurance recoveries received less outward reinsurance premiums paid and has been allocated to EC Directive categories by reference to risk code. This balance includes reinsurance accruals but excludes any premiums paid or received as a reinsurance to close. Gross claims have also been analysed by EC Directive category based on risk code.

14 CONSORTIUM UNDERWRITING

The table below shows the consortia that syndicate 2001 participated in for each year of account.

Consortium name	Lead syndicate	Description	Percentage of total gross premium		
			1998	1999	2000
Excess (Specific) Worker's Compensation Consortium	435	Excess (specific)	0.01%	£10,000	0.01%
Hiscox Cargo Consequential Loss Consortium	625	Cargo Consequential loss	0.03%	–	–
International Fire Consortium	506/2506 (1998 & 1999) 1173/2488 (2000)	Non-Marine property	0.11%	0.06%	0.03%
Marham Space Consortium	800	Space	0.39%	0.46%	0.94%
Medical Expenses Consortium	2001	Medical expenses	2.45%	2.22%	–
SFL XL Consortium	1234	Non-marine property	0.02%	0.01%	–
Lloyd's Property Consortium	1227	UK commercial property	–	–	Less than £10,000

Written agreement was given prior to commencement of each of the above consortia, in respect of the basis of commissions, fees and remuneration. Other than in relation to the affairs of the consortia, no other income was received by the managing agent or any underwriter employed by it, from members of the consortia.

The syndicate participated in a consortium arrangement with syndicate 173, the managing agent for which is Chaucer Syndicates Limited. The terms of the arrangements were such that all business written by syndicate 2001 was split 80:20 for the 1998 account, to syndicate 2001 and syndicate 173 respectively. Further details in relation to this consortium arrangement are given in paragraph 6 in the managing agent's report.

15 SERVICE COMPANY TRANSACTIONS

Details of the service companies which operate within the syndicate are given in note 7 of the managing agent's report. The whole share capital of these companies is held by the agency in trust for the members of the syndicate and the results of the companies are included in that of the syndicate. No fees are paid by these companies to any of the directors of Amlin Underwriting Limited.

In calendar year 2000, premium income signed through these service companies where it represents greater than 1% of gross premium is as follows:

	2000 account
Serviceline (UK) Limited	1.76%
Haven Knox-Johnston Limited	1.32%
Amlin Credit Limited	1.10%

Serviceline (UK) Limited, Drysdale Administration & Claims Services Limited (DACs) and Just Law Limited provide claims handling and administration services to the syndicate and other insurers.

15 SERVICE COMPANY TRANSACTIONS CONTINUED

The nature and the amount of the sums received from these companies by the syndicate in calendar year 2000 are as follows:

	1998 Account £'000	1999 Account £'000	2000 Account £'000
ServiceLine (UK) Limited			
Premium over-rider	–	(6)	1,105
DACS			
Claims handling	63	196	174
Premium over-rider	9	24	–
	72	220	174
Just Law Limited			
Legal fees	314	274	770
HBA Limited			
Premium over-rider	130	222	–
Amlin Credit Limited			
Premium over-rider	1	240	515
Total	517	950	2,564

16 DISCLOSURE OF INTERESTS

There have been no transactions entered into by the agency on behalf of the syndicate in which it, or any of its executives, had a material interest.

	1998 Account £'000	1999 Account £'000	2000 Account £'000	2001 Account £'000
Syndicate allocated capacity	528,697	452,971	423,386	574,978
Composition	%	%	%	%
Working Names employed by the agent	0.24	0.09	0.07	0.04
Other working Names	2.81	1.96	1.58	1.04
External Names	16.96	17.68	13.60	10.43
Members agent pooling arrangement	26.35	17.47	13.73	7.94
Corporate capital	50.57	59.96	68.05	78.42
Scottish Limited partnerships	3.07	2.84	2.97	2.13
	100.00	100.00	100.00	100.00
Number of Members	2,179	1,999	1,737	1,638
Composition	%	%	%	%
Working Names employed by the agent	0.37	0.15	0.06	0.06
Other working Names	12.25	8.30	7.48	6.47
External Names	79.22	76.70	69.72	68.80
Members agent pooling arrangement	1.65	1.35	1.04	0.55
Corporate capital	3.07	9.40	16.58	18.99
Scottish Limited partnerships	3.44	4.10	5.12	5.13
	100.00	100.00	100.00	100.00

	1997 Account £'000	1998 Account £'000
Syndicate allocated capacity	528,619	528,697
Aggregate net premiums	210,639	213,905
Results for a member with an illustrative share of £10,000:	£	£
Gross premiums	5,807	5,708
Net premiums	3,985	4,046
Reinsurance to close premium received	5,194	5,343
Net claims	(3,743)	(4,330)
Reinsurance to close premium paid	(5,032)	(5,388)
Underwriting result	404	(329)
Profit/(loss) on exchange	26	(3)
Syndicate operating expenses	(533)	(627)
Balance on technical account	(103)	(959)
Investment return	499	608
Profit/(loss) before syndicate personal expenses and profit commission	396	(351)
Illustrative syndicate personal expenses	(175)	(200)
Illustrative profit commission	(34)	–
Profit/(loss) after syndicate personal expenses and profit commission	187	(551)
	%	%
Capacity utilised	58.1	57.1
Net capacity utilised	39.9	40.5
Balance on technical account to gross premiums	(1.8)	(16.8)

Notes to the summary of results

- 1 The summary of results has been prepared from the audited accounts of the syndicate.
- 2 Personal expenses have been stated at the normal amount incurred by traditional names and MAPA participants writing the illustrative share.

SYNDICATE PERFORMANCE

	1997 Account £'000	1998 Account £'000
Result	9,256	(30,562)
Composition		
Working Names employed by the agent	42	(73)
Other working Names	310	(859)
External Names	1,800	(5,183)
Members agent pooling arrangement	4,043	(8,053)
Corporate capital	2,951	(15,456)
Scottish Limited partnerships	110	(938)
	9,256	(30,562)

SYNDICATE 902

48	Underwriter's Report
51	Underwriting Accounts
54	Balance Sheet
55	Notes to the Accounts
65	Seven Year Summary

DESPITE A HARSH MARINE MARKET, SYNDICATE 902 HAS HELD UP WELL AND I BELIEVE WILL CONTINUE TO OUTPERFORM THE MARKET AVERAGE

SYNDICATE MANAGEMENT RESTRUCTURING

The 2000 account is the last trading year of syndicate 902, which has now merged with syndicate 2001. The management of the syndicate was transferred to Amlin Underwriting Limited, with Lloyd's approval, on 31 March 2000.

The merger of the syndicates coincided with a restructuring of syndicate 2001 into four clearly defined divisions. Syndicate 902 has therefore been merged with the Coles Division. I, as underwriter of the Coles Division, have been appointed underwriter of syndicate 902 in succession to Adrian Walker, the underwriter since 1995, who left Amlin in December 2000.

OVERVIEW

The downturn in conditions for marine underwriting since 1997 has been well documented. Syndicate 902, while writing a broad marine book did not, due to its size, participate in catastrophe specie or war business and has therefore been battling more than most within a very unfavourable market. The diligence of the underwriting team in these conditions should be acknowledged and although gross loss ratios do not make pleasant reading, the syndicate so far has emerged with its unbroken record of profits intact.

BUSINESS OF THE SYNDICATE

The syndicate underwrote a general account with exposure in all the main marine classes, except war. Whilst originally an excess of loss ('XL') reinsurance syndicate, the direct account amounted to approximately 75% of the account from 1997 onwards. The breakdown of premium income for years 1998 to 2000 is set out in Table 1 and the manner in which this business is accepted is illustrated in Table 2.

ILLINOIS LICENSED BUSINESS

The arrangements for writing Illinois licensed business for the 1999 and previous years of account required licensed members, ie currently non-US external individual members to write the business and to cede a proportion of each such risk to the unlicensed members so that each member received that proportion of the risk which relates to the participation on the Syndicate in the normal way. Provisions for such arrangements are made in the Agency Agreements Byelaw. This requirement has been abolished for business written for the 2000 and future years of account.

REINSURANCE ARRANGEMENTS

The syndicate placed most of its reinsurance on an excess of loss basis although there were proportional arrangements for hull and cargo business. From 1997 onwards, a whole account stop loss was purchased.

TABLE 1 ANALYSIS OF BUSINESS BY EC DIRECTIVE CATEGORIES

	1998 Account		1999 Account		2000 Account	
	Gross £000	Net £000	Gross £000	Net £000	Gross £000	Net £000
Direct business analysed as:						
Accident and health	–	–	–	(21)	–	–
Credit and suretyship	23	20	28	24	27	24
Fire and other damage to property	1,022	1,004	930	799	418	391
Legal expenses	–	–	–	–	1	1
Marine, aviation and transport	12,057	9,260	13,841	11,522	8,697	7,805
Miscellaneous financial loss	16	16	10	10	9	9
Motor other	89	89	124	124	26	26
Third party liability	2,351	1,687	2,579	1,841	2,235	1,654
	15,558	12,076	17,512	14,299	11,413	9,910
Reinsurance acceptances	3,712	269	4,086	(353)	3,562	(732)
	19,270	12,345	21,598	13,946	14,975	9,178

The programme placed by Syndicate 2001 for 2001 offers protection for the majority of the syndicate's run-off exposures although some specific run-off protection has been purchased for the hull account and may be required for the energy account after the expiry of the existing protection. An analysis of reinsurance premium ceded is detailed in Table 3.

UNDERWRITING PERFORMANCE

1998 Year of Account

The 1997 and prior reserves for the syndicate have proved more than adequate for past liabilities and a release of £2.6m can be made to the benefit of the 1998 account. This release has been generated by the favourable run off of the energy, liability and orphan syndicate accounts.

However, the 1998 pure year has produced an underwriting loss of £1.5m and the overall result after standard personal expenses is a profit of £0.8m or 2.2% of capacity. Whilst profits were produced by the XL, liability and space accounts the energy, hull and cargo results were poor. The low utilisation of stamp, at 51%, was a result of the defensive stance adopted in light of the poor marine market.

As well as the high level of attritional losses the syndicate was impacted by three large space losses and the effect of Hurricane Georges on the yacht account. The efficiency of the syndicate reinsurance programme has insulated the result from the bulk of these losses.

1999 Year of Account

The gross premium income is anticipated to be £23.6m or 63% of capacity. A similar picture to the 1998 account is emerging with poor gross loss ratios on the hull, cargo and energy accounts, improved by a comprehensive reinsurance programme and a good return on the space book. The XL account also produced a loss being affected by the European storms.

1999 was the first year that the syndicate adopted a lead position in the writing of fishing vessels. The performance of this account, particularly from Peru and Chile, has been disappointing, although the reduction in blue water tonnage written by the syndicate was the correct position to take in the face of such fierce competition for this class. Other large losses included the Delta 3 satellite, a large warehouse loss in Korea and a number of energy losses. We anticipate a loss of 2% to 7% of capacity.

TABLE 2 METHODS OF ACCEPTANCE

	1998 Account	1999 Account	2000 Account
Direct and facultative	64%	60%	66%
Lineslips	14%	12%	9%
Reinsurances	22%	28%	25%
	100%	100%	100%

TABLE 3 ANALYSIS OF REINSURANCE PREMIUMS CEDED

	1998 Account	1999 Account	2000 Account
Lloyd's syndicates	42%	26%	28%
UK authorised insurance companies	36%	45%	44%
EC insurance companies	11%	4%	5%
Other	11%	25%	23%
	100%	100	100%

TABLE 4 ANALYSIS BY CURRENCY OF GROSS PREMIUMS

	1998 Account	1999 Account	2000 Account
Sterling	34%	28%	25%
US dollars	65%	71%	74%
Canadian dollars	1%	1%	1%
	100%	100%	100%

2000 Year of Account

There is a small increase in the Gross Premium Income forecast to £25.0m or 66% of capacity. The syndicate team made strenuous efforts to improve the underwriting performance in the hull and energy areas, but it soon became clear that a contained loss from these core marine accounts would result. The cargo account is expected to fare better partly due to the impact of Angerstein Transit, the UK service company, and a small profit is expected from the liability account.

The space account has been affected by three large losses to the Marham Consortium which occurred during the final quarter of 2000 and amounted to a US\$2.4m gross loss to the syndicate. The hardening reinsurance market provided less insulation, particularly for the space account, which will therefore produce a net loss to the syndicate. Net loss ratios are disappointing and at this stage, we anticipate a small loss.

CONCLUSION

Syndicate 902 has operated in an exceedingly harsh marine market over the past couple of years yet the underwriting performance has held up well and I believe will continue to outperform the market average in these years. A great deal of credit should be given to the whole team for their dedicated efforts on behalf of the syndicate. We anticipate closing all years of account at the normal time.

S C W Beale Underwriter
20 March 2001

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Syndicate allocated capacity				37,605	37,583
Gross premiums written (net of brokerage)		16,214	3,056	19,270	26,432
Outward reinsurance premiums		(4,950)	(1,975)	(6,925)	(5,613)
Net premiums		11,264	1,081	12,345	20,819
Reinsurance to close premium received from earlier years of account		20,950	1,366	22,316	17,197
Gross claims paid		(11,373)	(9,681)	(21,054)	(15,730)
Reinsurers' share		4,586	2,867	7,453	4,144
Net claims		(6,787)	(6,814)	(13,601)	(11,586)
Reinsurance premium paid to close the 1998 year of account	1	–	(19,875)	(19,875)	(20,950)
Underwriting balance		25,427	(24,242)	1,185	5,480
Profit on exchange		–	76	76	114
Syndicate operating expenses	2	(1,302)	(165)	(1,467)	(1,711)
Balance on technical account	3	24,125	(24,331)	(206)	3,883
Investment income	4	116	1,423	1,539	2,526
Investment expenses and charges	4	(3)	(9)	(12)	(91)
Investment gains less losses	4	(3)	451	448	(240)
Balance on year of account before syndicate personal expenses		24,235	(22,466)	1,769	6,078
Aggregate syndicate personal expenses	6	(840)	(175)	(1,015)	(1,591)
Balance on open year of account after syndicate personal expenses		23,395			
Result for the closed year of account after syndicate personal expenses				754	4,487

	Note	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Syndicate allocated capacity				37,568	37,605
Gross premiums written (net of brokerage)		12,567	9,031	21,598	16,214
Outward reinsurance premiums		(5,120)	(2,532)	(7,652)	(4,950)
Net premiums		7,447	6,499	13,946	11,264
Reinsurance to close premium received from earlier years of account	1	–	19,875	19,875	20,950
Gross claims paid		(3,511)	(13,747)	(17,258)	(11,373)
Reinsurers' share		1,121	6,467	7,588	4,586
Net claims		(2,390)	(7,280)	(9,670)	(6,787)
Underwriting balance		5,057	19,094	24,151	25,427
Profit/(loss) on exchange		2	(3)	(1)	–
Syndicate operating expenses	2	(1,130)	(539)	(1,669)	(1,302)
Balance on technical account		3,929	18,552	22,481	24,125
Investment income	4	99	45	144	116
Investment expenses and charges	4	(1)	(3)	(4)	(3)
Investment gains less losses	4	(29)	–	(29)	(3)
Balance on open year of account before syndicate personal expenses		3,998	18,594	22,592	24,235
Aggregate syndicate personal expenses	6	(695)	–	(695)	(840)
Balance on open year of account after syndicate personal expenses		3,303		21,897	23,395

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 Account at 12 months £'000	1999 Account at 12 months £'000
Syndicate allocated capacity		37,573	37,568
Gross premiums written (net of brokerage)		14,975	12,567
Outward reinsurance premiums		(5,797)	(5,120)
Net premiums		9,178	7,447
Gross claims paid		(3,516)	(3,511)
Reinsurers' share		414	1,121
Net claims		(3,102)	(2,390)
Underwriting balance		6,076	5,057
Profit/(loss) on exchange		(1)	2
Syndicate operating expenses	2	(1,282)	(1,130)
Balance on technical account		4,793	3,929
Investment income	4	78	99
Investment expenses and charges	4	(23)	(1)
Investment gains less losses	4	32	(29)
Balance on open year of account before syndicate personal expenses		4,880	3,998
Aggregate syndicate personal expenses	6	(658)	(695)
Balance on open year of account after syndicate personal expenses		4,222	3,303

AS AT 31 DECEMBER 2000

	Note	2000 £'000	1999 £'000
Assets			
Financial investments	7	18,473	25,021
Deposits with ceded undertakings		–	122
Debtors	8	6,207	3,963
Other assets:			
Cash at bank and in hand		4,446	2,282
Overseas deposits	9	1,035	998
Prepayments and accrued income		347	95
Total assets		30,508	32,481
Liabilities			
2000 (1999) open year of account balance after one year		4,222	3,303
Members' agent fees on account		(190)	(188)
		4,032	3,115
1999 (1998) open year of account balance after two years		21,897	23,395
Members' agent fees on account		(189)	(133)
		21,708	23,262
1998 (1997) account result		754	4,487
Members' agent fees on account		(133)	(191)
		621	4,296
Deposits received from reinsurers		–	32
Creditors	10	4,146	1,673
Accruals and deferred income		1	103
Total liabilities		30,508	32,481

This annual report was approved at a meeting of the board of directors of Amlin Underwriting Limited and by the underwriter on 20 March 2001.

S C W Beale Underwriter

A M Davies Chairman

1 REINSURANCE PREMIUM TO CLOSE THE 1998 YEAR OF ACCOUNT

	1998 Pure £'000	1997 and Prior £'000	1998 Account total £'000	1997 Account total £'000
Gross notified outstanding claims	6,128	10,709	16,837	12,903
Reinsurance recoveries anticipated	(4,372)	(3,533)	(7,905)	(3,848)
Net notified outstanding claims	1,756	7,176	8,932	9,055
Provision for gross claims incurred but not reported	2,256	9,695	11,951	16,340
Reinsurance recoveries anticipated	(457)	(1,153)	(1,610)	(5,170)
Provision for net claims incurred but not reported	1,799	8,542	10,341	11,170
Claims handling provision	322	280	602	725
Reinsurance premium to close the 1998 and prior years of account	3,877	15,998	19,875	20,950

Syndicate 902 effected a whole account stop loss policy to protect the 1998 account. Under the terms of the policy the syndicate paid a premium of £463,917, which has been accounted for within 'outward reinsurance premiums' in the 1998 account. Under the policy claims of up to £1,410,436 in aggregate settled by the syndicate on the 1998 account in excess of a minimum of £11,642,748, are recoverable. Full credit was taken in respect of this policy within the reinsurance to close premium at 31 December 2000.

Similarly a whole account stop loss policy to protect the 1997 account was purchased by the syndicate. Premiums of £458,787 have been charged and were accounted for within 'outward reinsurance premiums'. Claims of up to £758,733 in aggregate in excess of a minimum of £12,267,751 are recoverable. Full credit was taken in respect of this policy within the reinsurance to close premium at 31 December 1999.

2 SYNDICATE OPERATING EXPENSES

	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Staff and related costs	640	53	693	488
Premises costs	90	8	98	53
Office running costs	10	2	12	16
Computer costs	83	37	120	259
Lloyd's overseas operating expenses	43	(5)	38	64
Lloyd's premium levy	158	33	191	219
Lloyd's processing costs	80	67	147	111
Auditors' remuneration	15	2	17	68
Other professional fees	63	(11)	52	264
Miscellaneous	117	(21)	96	168
Interest charges	3	-	3	1
	1,302	165	1,467	1,711

2 SYNDICATE OPERATING EXPENSES CONTINUED

	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Staff and related costs	662	176	838	640
Premises costs	96	34	130	90
Office running costs	15	7	22	10
Computer costs	32	74	106	83
Lloyd's overseas operating expenses	14	35	49	43
Lloyd's premium levy	114	121	235	158
Lloyd's processing costs	34	71	105	80
Auditors' remuneration	3	3	6	15
Other professional fees	38	13	51	63
Miscellaneous	82	4	86	117
Interest charges	40	1	41	3
	1,130	539	1,669	1,302
			2000 Account at 12 months £'000	1999 Account at 12 months £'000
Staff and related costs			713	662
Premises costs			159	96
Office running costs			21	15
Computer costs			47	32
Lloyd's overseas operating expenses			9	14
Lloyd's premium levy			134	114
Lloyd's processing costs			89	34
Auditors' remuneration			9	3
Other professional fees			12	38
Miscellaneous			89	82
Interest charges			–	40
			1,282	1,130

During calendar year 2000 Mr A J Walker's gross remuneration, including pension contributions charged to the syndicate was £244,564 (1999: £138,000). This includes £88,620 in respect of compensation for loss of office. No charge had been allocated to the syndicate in respect of Mr S C W Beale at 31 December 2000.

No Profit related pay was charged to the syndicate in respect of the 1998 year of account.

Gross syndicate operating expenses for the 1998 account, before Lloyd's premium levy, interest charges and claims handling adjustments are 44.1% greater than set out in the 1998 business plan. The principal variances relate to staff and related costs and computer costs.

3 BALANCE ON TECHNICAL ACCOUNT

	1998 Account £'000	1997 Account £'000
Balance attributable to business allocated to the 1998 (1997) year of account	(1,455)	4,043
Surplus on the reinsurance to close the 1997 (1996) account	2,640	1,437
	1,185	5,480
Profit on exchange	76	114
Syndicate operating expenses	(1,467)	(1,711)
	(206)	3,883

4 INVESTMENT RETURN

	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Investment income receivable	101	1,389	1,490	2,211
Accrued income	15	34	49	315
Investment income	116	1,423	1,539	2,526
Investment gains less losses	(3)	451	448	(240)
Gross investment return	113	1,874	1,987	2,286
Less: investment expenses and charges	(3)	(9)	(12)	(91)
	110	1,865	1,975	2,195

	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Investment income receivable	87	64	151	101
Accrued income	12	(19)	(7)	15
Investment income	99	45	144	116
Investment gains less losses	(29)	-	(29)	(3)
Gross investment return	70	45	115	113
Less: investment expenses and charges	(1)	(3)	(4)	(3)
	69	42	111	110

4 INVESTMENT RETURN CONTINUED

	2000 Account at 12 months £'000	1999 Account at 12 months £'000
Investment income receivable	90	87
Accrued income	(12)	12
Investment income	78	99
Investment gains less losses	32	(29)
Gross investment return	110	70
Less: investment expenses and charges	(23)	(1)
	87	69

5 CALENDAR YEAR INVESTMENT YIELD

	2000 £'000	1999 £'000
Average syndicate funds available for investment during the year	25,786	28,356
Aggregate gross investment return for the year	2,001	1,056
Gross calendar year investment yield:		
Sterling	5.1%	4.0%
United States dollars	8.0%	3.7%
Canadian dollars	6.1%	4.8%
Combined	7.8%	3.7%

The average amount of syndicate funds available for investment has been calculated as the monthly average balance of investments and overseas deposits. The yield percentages exclude immaterial sources of income.

6 SYNDICATE PERSONAL EXPENSES

	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Lloyd's subscriptions and guarantee fees	652	–	652	561
Agent's fees	188	–	188	188
Profit commission	–	175	175	842
	840	175	1,015	1,591

	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Lloyd's subscriptions and guarantee fees	507	–	507	652
Agent's fees	188	–	188	188
	695	–	695	840

	2000 Account at 12 months £'000	1999 Account at 12 months £'000
Lloyd's subscriptions and guarantee fees	470	507
Agent's fees	188	188
	658	695

Individual members' personal expenses are charged as incurred. The amounts due from members' in respect of US and Canadian Federal Income Tax have been excluded from syndicate personal expenses as these amounts have not arisen specifically from the activities of the syndicate. These amounts are shown in debtors and will be collected from members directly.

7 FINANCIAL INVESTMENTS

	2000 Cost £'000	2000 Market value £'000	1999 Cost £'000	1999 Market value £'000
Debt securities and other fixed income securities	17,426	17,826	25,276	25,021
Participation in investment pools	630	630	–	–
Letters of credit collateral	17	17	–	–
	18,073	18,473	25,276	25,021

8 DEBTORS

	2000 £'000	1999 £'000
Brokers' balances		
Lloyd's Central Accounting balance:		
Arising out of direct insurance operations	427	450
Arising out of reinsurance operations	554	618
	981	1,068
Accruals:		
Arising out of reinsurance operations	4,697	2,236
Other amounts due from brokers:		
Arising out of direct insurance operations	85	–
Arising out of reinsurance operations	96	–
	181	–
Taxation: Income tax deducted at source	53	95
Overseas taxation	–	110
Other debtors	295	454
	6,207	3,963
Due after 12 months	53	25

9 OVERSEAS DEPOSITS

Deposit	Country	2000 £'000	1999 £'000
Australian Trust Fund	Australia	43	–
South African Transitional Trust Fund	South Africa	30	–
South African Trust Fund	South Africa	86	–
Illinois Reserve	USA	29	41
Joint Asset Trust Fund	USA	490	319
Kentucky Trust Fund	USA	166	149
Additional Securities Limited Loan	Various	191	489
		1,035	998

10 CREDITORS

	2000 £'000	1999 £'000
Brokers' balances		
Lloyd's Central Accounting balance:		
Arising out of direct insurance operations	35	53
Arising out of reinsurance operations	410	638
	445	691
Accruals:		
Arising out of reinsurance operations	2,467	139
Other amounts due to brokers:		
Arising out of direct insurance operations	8	–
Arising out of reinsurance operations	97	–
	105	–
Due to managing agent	856	1
Agency profit commission payable	175	841
Other creditors	98	1
	4,146	1,673
Due after 12 months	–	4

11 BALANCE ON CLOSED YEAR OF ACCOUNT

	2000 £'000	1999 £'000
1998 (1997) year of account result before personal expenses		
Sterling Trust Fund	(546)	1,677
Lloyd's American Trust Fund (\$5,896,880, 1997: \$1,889,000)	3,958	1,173
Lloyd's Dollar Trust Fund (\$(3,382,108), 1997: \$4,917,000)	(2,270)	3,054
Canadian Dollar Trust Fund (\$1,404,579, 1997: \$407,000)	627	174
	1,769	6,078
Transfers to members' premium trust funds		
Members' agents fees	(133)	(191)
Other personal expenses	(1,015)	(1,591)
Total withdrawals	(1,148)	(1,782)
1998 (1997) year of account balance after personal expenses and transfer to members' premium trust funds	621	4,296

Members' agents fees represent the amounts due by members to their agents in accordance with the separate agency agreements. These amounts do not appear on the Summary of Results on page 65.

Other personal expenses include £174,918 (1997: £841,000) in respect of profit commission due to the managing agent on the result of the 1998 account. This has been calculated in accordance with the terms of agency agreements for respective members.

11 BALANCE ON CLOSED YEAR OF ACCOUNT CONTINUED

1998 (1997) result distributed in

	Currency '000	Currency '000
Sterling	(892)	3,123
Lloyd's American Trust Fund dollars	5,636	1,889
Lloyd's Dollar Trust Fund dollars	(3,382)	–
Total in sterling at £1 = \$1.49 (1997: \$1.61)	621	4,296

Distribution in Canadian dollars is not permitted under the Lloyd's Canadian Trust Deed.

12 SEGMENTAL INFORMATION

	Fire and other property damage £'000	Marine aviation transport £'000	Third party liability £'000	Other direct £'000	Reinsurance acceptances £'000	Total £'000
2000 account at 12 months						
– risks located in the UK	1	1,428	51	9	1,268	2,757
– risks located in other EC countries	1	701	17	2	136	857
– risks located in other countries	416	6,567	2,167	53	2,158	11,361
Gross premiums	418	8,696	2,235	64	3,562	14,975
Gross claims paid	(19)	(2,780)	(124)	(1)	(592)	(3,516)
Gross operating expenses	(36)	(745)	(191)	(5)	(305)	(1,282)
Reinsurance balance	(27)	(666)	(487)	(3)	(4,200)	(5,383)
Average rate of commission	27%	26%	20%	29%	15%	23%
1999 account at 24 months						
– risks located in the UK	28	1,810	91	57	843	2,829
– risks located in other EC countries	1	1,666	65	2	394	2,128
– risks located in other countries	901	10,366	2,424	102	2,848	16,641
Gross premiums	930	13,842	2,580	161	4,085	21,598
Gross claims paid	(903)	(12,403)	(148)	(45)	(3,759)	(17,258)
Gross operating expenses	(72)	(1,069)	(199)	(13)	(316)	(1,669)
Reinsurance balance	202	2,907	(726)	(24)	(2,423)	(64)
Average rate of commission	27%	23%	17%	27%	12%	21%
1998 and prior at 36 months						
– risks located in the UK	192	2,398	66	89	738	3,483
– risks located in other EC countries	2	1,640	146	27	640	2,455
– risks located in other countries	828	8,019	2,139	11	2,335	13,332
Gross premiums	1,022	12,057	2,351	127	3,713	19,270
Gross claims paid	(1,319)	(14,327)	(1,761)	(114)	(3,533)	(21,054)
Gross operating expenses	(78)	(918)	(179)	(10)	(282)	(1,467)
Reinsurance balance	97	2,586	(289)	7	(1,873)	528
Average rate of commission	25%	22%	18%	25%	12%	20%

12 SEGMENTAL INFORMATION CONTINUED

Gross premiums signed have been analysed by reference to the situs of risk and EC Directive category based on risk code. Gross operating expenses have been allocated to categories in proportion to their respective gross premium incomes. The reinsurance balance comprises reinsurance recoveries received less outward reinsurance premiums paid and has been allocated to EC Directive categories by reference to risk code. This balance includes reinsurance accruals but excludes any premiums paid or received as a reinsurance to close. Gross claims have also been analysed by EC Directive category based on risk code.

13 CONSORTIUM UNDERWRITING

The table below shows the consortium that syndicate 902 is part of for each year of account.

Consortium name	Lead syndicate	Description	Percentage of total gross premium		
			1998	1999	2000
Marham Space Consortium	800	Space	10.25%	9.62%	21.93%

Written agreement was given prior to commencement to the above consortium, in respect of the basis of commissions, fees and remuneration. Other than in relation to the affairs of the consortium, no other income was received by the managing agent or any underwriter employed by it, from members of the consortium.

14 SERVICE COMPANY TRANSACTIONS

Details of the service companies are given in note 7 of the managing agent's report. During 1998, the remaining capital of the service company Angerstein Transit Underwriting Agency Limited was purchased on trust for benefit of members. The company is financed by way of a loan from the syndicate and interest is payable by the service company on the balance of this loan. No profits have yet been made by this service company. Directors of the managing agency receive no remuneration from the service company. The company's purpose is to provide the syndicate with opportunities to underwrite Cargo risks and other risks not normally offered to the Lloyd's market.

In calendar year 2000 the premium income signed through the service company where it represents greater than 1% of gross premium is as follows:

	1999 Account	2000 Account
Angerstein Transit Underwriting Agency Limited	2.75%	8.91%

15 DISCLOSURE OF INTERESTS

There have been no transactions entered into by the agency on behalf of the syndicate in which it, or any of its executives, had a material interest.

	1998 Account £'000	1999 Account £'000	2000 Account £'000
Syndicate allocated capacity	37,605	37,568	37,573
Composition	%	%	%
Working Names employed by the agent	0.23	–	–
Other working Names	2.28	1.10	1.07
External Names	27.69	26.28	21.75
Members agent pooling arrangement	22.94	15.82	9.87
Corporate capital	45.81	55.20	65.71
Scottish Limited partnerships	1.05	1.60	1.60
	100.00	100.00	100.00
Number of Members	498	481	415
Composition	%	%	%
Working Names employed by the agent	0.40	–	–
Other working Names	7.83	4.16	4.34
External Names	82.94	83.38	79.03
Members agent pooling arrangement	2.61	2.28	1.93
Corporate capital	3.01	5.61	9.16
Scottish Limited partnerships	3.21	4.57	5.54
	100.00	100.00	100.00

	1992 Account £'000	1993 Account £'000	1994 Account £'000	1995 Account £'000	1996 Account £'000	1997 Account £'000	1998 Account £'000
Syndicate allocated capacity	17,755	24,045	38,266	37,748	37,751	37,583	37,605
Aggregate net premiums	14,301	20,289	19,781	18,071	15,531	20,819	12,345
Results for a member with an illustrative share of £10,000:							
	£	£	£	£	£	£	£
Gross premiums	10,366	10,522	6,377	6,231	5,294	7,033	5,124
Net premiums	8,055	8,438	5,169	4,787	4,134	5,539	3,283
Reinsurance to close premium received	7,488	7,465	1,579	3,334	4,063	4,576	5,934
Net claims	(4,236)	(4,606)	(2,110)	(2,588)	(2,510)	(3,083)	(3,617)
Reinsurance to close premium paid	(10,057)	(8,089)	(3,193)	(4,065)	(4,464)	(5,574)	(5,285)
Underwriting result	1,250	3,208	1,445	1,468	1,223	1,458	315
Profit/(loss) on exchange	(74)	(7)	30	22	(2)	30	20
Syndicate operating expenses	(492)	(462)	(323)	(420)	(312)	(455)	(390)
Balance on technical account	684	2,739	1,152	1,070	909	1,033	(55)
Investment return	522	931	404	507	512	584	525
Profit before syndicate personal expenses and profit commission	1,206	3,670	1,556	1,577	1,421	1,617	470
Illustrative syndicate personal expenses	(351)	(325)	(344)	(343)	(160)	(175)	(200)
Illustrative profit commission	(120)	(449)	(157)	(189)	(189)	(216)	(46)
Profit after syndicate personal expenses and profit commission	735	2,896	1,055	1,045	1,072	1,226	224
	%	%	%	%	%	%	%
Capacity utilised	103.7	105.2	63.8	62.3	52.9	70.3	51.2
Net capacity utilised	80.6	84.4	51.7	47.9	41.1	55.4	32.8
Balance on technical account to gross premiums	6.6	26.0	18.1	17.2	17.2	14.7	(1.1)

Notes to the seven year summary

- 1 The seven year summary has been prepared from the audited accounts of the syndicate.
- 2 Personal expenses have been stated at the normal amount incurred by traditional names and MAPA participants writing the illustrative share.
- 3 With effect from the 1993 year of account, investment return comprises investment income and investment gains or losses less investment expenses. For years of account prior to 1993 investment expenses are within syndicate operating expenses.
- 4 From the 1996 account the calendar year movement of claims settlement expenses have been included in net claims. Similar adjustments have not been made for the 1995 and prior accounts as the information is not considered significant.

	1996 Account £'000	1997 Account £'000	1998 Account £'000
Result	3,965	4,487	754
Composition			
Working Names employed by the agent	9	10	2
Other working Names	94	77	17
External Names	1,599	1,418	209
Members agent pooling arrangement	1,674	1,780	173
Corporate capital	589	1,177	345
Scottish Limited partnerships	–	25	8
	3,965	4,487	754

SYNDICATE 1141

68	Underwriter's Report
71	Underwriting Accounts
74	Balance Sheet
75	Notes to the Accounts
86	Seven Year Summary

THE SYNDICATE TEAM HAS NOW BEEN FULLY INTEGRATED INTO THE HARVEY BOWRING DIVISION OF SYNDICATE 2001

SYNDICATE MANAGEMENT RESTRUCTURING

The 2000 account is the last trading year of syndicate 1141, which has now merged with syndicate 2001. The management of the syndicate was transferred to Amlin Underwriting Limited, with Lloyd's approval, in April 2000.

In October last year, the restructuring of the underwriting teams, which followed a strategic review, resulted in the departure of the underwriter Trevor Clegg, his predecessor John Mumford and a number of other syndicate 1141 staff.

The remaining team has now been fully integrated into the Harvey Bowering Division of Syndicate 2001 and I anticipate that I shall remain as underwriter of syndicate 1141 until the closure of the 2000 year of account at 31 December 2003.

OVERVIEW

Syndicate 1141 began trading for the 1989 account and produced steady, if unspectacular, returns in all years up to 1997. It is therefore particularly regrettable that this unbroken record of profitability will not be maintained.

The underwriting emphasis of the syndicate was in the area of US casualty and property business and conditions for these two areas of business have been most unfavourable since early 1997. In an effort to improve capacity utilisation, the syndicate management team sought to expand the casualty and property direct accounts through the employment of new underwriters. This expansion increased the syndicate's premium income in these areas from £14.6m in 1996 to £31.9m in 1999 and that has now proved to have been a strategic mistake as conditions in the US deteriorated from 1997 onwards.

BUSINESS WRITTEN

The syndicate wrote a general non-marine account with particular emphasis on US casualty and surplus lines business, most of it through treaties, lineslips and covers. The syndicate also developed a property reinsurance treaty account. From 1997 onwards there was significant growth in premium income from property and casualty binding authorities, principally from the USA. The breakdown of premium income for years 1998 to 2000 is set out in Table 1 and the manner in which this business is accepted is illustrated in Table 2.

TABLE 1 ANALYSIS OF BUSINESS BY EC DIRECTIVE CATEGORIES

	1998 Account		1999 Account		2000 Account	
	Gross £'000	Net £'000	Gross £'000	Net £'000	Gross £'000	Net £'000
Direct business analysed as:						
Accident and health	6,828	4,479	5,757	4,829	2,050	1,505
Assistance	1,197	818	1,345	804	353	353
Credit and suretyship	184	182	537	535	223	221
Fire and other damage to property	13,451	10,582	14,625	12,438	8,731	6,592
Legal expenses	295	341	422	422	238	238
Marine, aviation and transport	579	538	549	373	311	258
Miscellaneous financial loss	1,156	900	1,128	953	920	737
Motor third party liability	2,247	2,345	1,711	1,334	676	590
Motor other	7,855	6,641	10,539	9,651	4,924	4,720
Third party liability	20,648	17,973	16,800	14,961	8,224	7,119
	54,440	44,799	53,413	46,300	26,650	22,333
Reinsurance acceptances	10,097	2,528	17,275	3,416	18,937	4,927
	64,537	47,327	70,688	49,716	45,587	27,260

ILLINOIS LICENCED BUSINESS

The syndicate wrote Illinois business in a number of classes and through a number of sources. The arrangements for writing Illinois licenced business for the 1999 and previous years of account required licensed members, ie non-US external individual members to write the business and to cede a proportion of the non-licensed members. The risk was then retroceded to all the members on the syndicate so that each member received that proportion of the risk that relates to his participation on the syndicate in the normal way. Provisions for such arrangements is made in the Agency Agreements Bylaw. This requirement has been abolished for business written for the 2000 and future years of account.

UNDERWRITING PERFORMANCE

1998 Year of Account

During the last twelve months, the US Casualty lines have continued to demonstrate a poor development pattern. These movements have been very carefully analysed and modelled by both internal and external actuarial teams as well as by myself and the underwriting team. The 1997 and 1998 Casualty accounts have materially worse loss ratios than the earlier years of account and in 1998 the substantial growth in the binder portfolio produced yet more underwriting losses.

Prior year reserves have needed to be strengthened producing a deterioration of £7.2m which is additional to an already dismal pure 1998 year. Virtually all areas of the syndicate have recorded a loss with the casualty and auto liability accounts again particularly poor. The expansion of the casualty direct and facultative account and the US property binder account for the 1998 year has proved to be ill timed in the light of market conditions. The 1998 account was impacted by two major catastrophe losses, the Canadian ice storm which affected the binder account, and Hurricane Georges. However the net cost of these catastrophe losses is not significant.

Gross premium income is expected to be £64m or 84% of capacity and net incurred loss ratios for this year are worse than any year at this stage since 1993. The final overall 1998 result is a loss of 26.6% and it has been necessary to call £17.9m or 86% of the loss as at 28 February 2001 to assist with the US situs funding requirements.

TABLE 2 METHODS OF ACCEPTANCE

	1998 Account	1999 Account	2000 Account
Direct and facultative	7%	8%	9%
Binding authorities	39%	43%	29%
Lineslips	4%	4%	5%
Reinsurances	50%	45%	57%
	100%	100%	100%

TABLE 3 ANALYSIS OF REINSURANCE PREMIUMS CEDED

	1998 Account	1999 Account	2000 Account
Lloyd's syndicates	4%	7%	8%
UK authorised insurance companies	16%	22%	27%
EC insurance companies	31%	18%	8%
Other	49%	53%	57%
	100%	100%	100%

TABLE 4 ANALYSIS BY CURRENCY OF GROSS PREMIUMS

	1998 Account	1999 Account	2000 Account
Sterling	14%	11%	16%
US dollars	78%	82%	79%
Canadian dollars	8%	7%	5%
	100%	100%	100%

1999 Year of Account

The expansion of the US delegated authority account continued for the 1999 year with some new facilities being written and the expansion of the syndicate involvement in existing contracts. This is expected to result in premium income close to stamp capacity at £77.0m. From an underwriting standpoint, the picture is similar to the 1998 pure year. Very poor experience in US casualty, property binders and auto liability lines, plus some involvement in the European Storms loss has resulted in a forecast loss in the range of 15% to 20% of stamp. The funding of US situs requirements has resulted in a cash call of \$18.4m or 16.2% of stamp capacity.

2000 Year of Account

The 2000 year of account shows some signs of improvement over the previous two years, although it is unlikely to result in a bottom line profit.

During the year some action was taken by the incumbent team to address problems emerging within the account. However this was not sufficient. Following the October reorganisation, stronger action has been taken to address loss making accounts.

However, this has not arrested the flow of premium in time to avoid an overwriting of stamp. This increased premium has been caused by rate increases on existing binder facilities and proportional treaties, as well as additional business flow to new and existing contracts. The estimates provided by brokers which historically were too high for these facilities have now been exceeded in many cases and we have re-estimated all the facility income forecasts. We are monitoring this position very carefully and have used actuarial modelling to produce a total premium estimate of £86.3m. It is possible that the action taken during the final quarter will ultimately reduce this figure.

CONCLUSION

The performance of syndicate 1141 is a huge disappointment to all those involved and we are very conscious of our responsibilities to capital providers. With the assistance of my dedicated team, I will do my utmost to limit the losses sustained by the syndicate and to bring about a full reinsurance to close into syndicate 2001 at the appropriate time.

A W Holt Underwriter
20 March 2001

SYNDICATE 1141 1998 UNDERWRITING ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Syndicate allocated capacity				76,202	76,203
Gross premiums written (net of brokerage)		50,779	13,758	64,537	53,901
Outward reinsurance premiums		(14,165)	(3,045)	(17,210)	(15,235)
Net premiums		36,614	10,713	47,327	38,666
Reinsurance to close premium received from earlier years of account		27,834	1,879	29,713	27,368
Gross claims paid		(30,385)	(39,070)	(69,455)	(45,418)
Reinsurers' share		12,384	8,413	20,797	9,802
Net claims		(18,001)	(30,657)	(48,658)	(35,616)
Reinsurance premium paid to close the 1998 year of account	1	–	(46,619)	(46,619)	(27,834)
Underwriting balance		46,447	(64,684)	(18,237)	2,584
Profit/(loss) on exchange		(93)	331	238	165
Syndicate operating expenses	2	(3,405)	(2,006)	(5,411)	(3,532)
Balance on technical account	3	42,949	(66,359)	(23,410)	(783)
Investment income	4	1,167	2,912	4,079	3,339
Investment expenses and charges	4	(19)	(13)	(32)	(45)
Investment gains less losses	4	(196)	813	617	(365)
Balance on year of account before syndicate personal expenses		43,901	(62,647)	(18,746)	2,146
Aggregate syndicate personal expenses	6	(1,710)	–	(1,710)	(1,735)
Balance on open year of account after syndicate personal expenses		42,191			
Result for the closed year of account after syndicate personal expenses				(20,456)	411

	Note	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Syndicate allocated capacity				76,142	76,202
Gross premiums written (net of brokerage)		32,954	37,734	70,688	50,779
Outward reinsurance premiums		(11,946)	(9,026)	(20,972)	(14,165)
Net premiums		21,008	28,708	49,716	36,614
Reinsurance to close premium received from earlier years of account	1	–	46,619	46,619	27,834
Gross claims paid		(7,420)	(37,116)	(44,536)	(30,385)
Reinsurers' share		1,823	13,031	14,854	12,384
Net claims		(5,597)	(24,085)	(29,682)	(18,001)
Underwriting balance		15,411	51,242	66,653	46,447
Loss on exchange		(4)	(135)	(139)	(93)
Syndicate operating expenses	2	(2,862)	(1,695)	(4,557)	(3,405)
Balance on technical account		12,545	49,412	61,957	42,949
Investment income	4	172	1,559	1,731	1,167
Investment expenses and charges	4	(2)	(11)	(13)	(19)
Investment gains less losses	4	(37)	538	501	(196)
Balance on open year of account before syndicate personal expenses		12,678	51,498	64,176	43,901
Aggregate syndicate personal expenses	6	(1,407)	–	(1,407)	(1,710)
Balance on open year of account after syndicate personal expenses		11,271		62,769	42,191

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 Account at 12 months £'000	1999 Account at 12 months £'000
Syndicate allocated capacity		76,280	76,142
Gross premiums written (net of brokerage)		45,587	32,954
Outward reinsurance premiums		(18,327)	(11,946)
Net premiums		27,260	21,008
Gross claims paid		(8,856)	(7,420)
Reinsurers' share		1,201	1,823
Net claims		(7,655)	(5,597)
Underwriting balance		19,605	15,411
Loss on exchange		(188)	(4)
Syndicate operating expenses	2	(3,632)	(2,862)
Balance on technical account		15,785	12,545
Investment income	4	318	172
Investment expenses and charges	4	(49)	(2)
Investment gains less losses	4	130	(37)
Balance on open year of account before syndicate personal expenses		16,184	12,678
Aggregate syndicate personal expenses	6	(1,334)	(1,407)
Balance on open year of account after syndicate personal expenses		14,850	11,271

AS AT 31 DECEMBER 2000

	Note	2000 £'000	1999 £'000
Assets			
Financial investments	7	80,644	53,108
Deposits with ceded undertakings		–	290
Debtors	8	19,781	10,506
Other assets:			
Cash at bank and in hand		1,793	3,125
Overseas deposits	9	7,952	5,745
Prepayments and accrued income		853	572
Total assets		111,023	73,346
Liabilities			
2000 (1999) open year of account balance after one year		14,850	11,271
Members' agent fees on account		(355)	(374)
		14,495	10,897
1999 (1998) open year of account balance after two years		62,769	42,191
Members' agent fees on account		(374)	(306)
		62,395	41,885
1998 (1997) account result		(20,456)	411
Members' agent fees on account		(306)	(370)
		(20,762)	41
Deposits received from reinsurers		–	6
Creditors	10	54,675	20,391
Accruals and deferred income		220	126
Total liabilities		111,023	73,346

This annual report was approved at a meeting of the board of directors of Amlin Underwriting Limited and by the underwriter on 20 March 2001.

A W Holt Underwriter

A M Davies Chairman

1 REINSURANCE PREMIUM TO CLOSE THE 1998 YEAR OF ACCOUNT

	1998 Pure £'000	1997 and Prior £'000	1998 Account total £'000	1997 Account total £'000
Gross notified outstanding claims	17,577	32,511	50,088	34,347
Reinsurance recoveries anticipated	(9,804)	(12,902)	(22,706)	(9,380)
Provision for additional premiums	(1,135)	(1,508)	(2,643)	(3,740)
Net notified outstanding claims	6,638	18,101	24,739	21,227
Provision for gross claims incurred but not reported	17,195	12,758	29,953	16,247
Reinsurance recoveries anticipated	(3,142)	(3,055)	(6,197)	(9,376)
Provision for additional premiums	(1,313)	(1,510)	(2,823)	(641)
Provision for net claims incurred but not reported	12,740	8,193	20,933	6,230
Claims handling provision	469	478	947	377
Reinsurance premium to close the 1998 and prior years of account	19,847	26,772	46,619	27,834

Syndicate 1141 effected a whole account stop loss policy to protect the 1998 account. Under the terms of the policy the syndicate paid a premium of £2,370,211, which has been accounted for within 'outward reinsurance premiums' in the 1998 account. Under the policy claims of up to £6,500,000 in aggregate settled by the syndicate on the 1998 account in excess of a minimum of £41,940,030, are recoverable. Full credit was taken in respect of this policy within the reinsurance to close premium at 31 December 2000.

Similarly whole account stop loss policies to protect the 1995, 1996 and 1997 accounts were also purchased by the syndicate. Premiums of £4,247,688 have been charged and were accounted for within 'outward reinsurance premiums'. Claims of up to £10,300,000 in aggregate in excess of a minimum of £107,094,670 are recoverable. Full credit was taken in respect of this policy within the reinsurance to close premium at 31 December 1999.

2 SYNDICATE OPERATING EXPENSES

	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Staff and related costs	1,273	190	1,463	1,094
Premises costs	170	12	182	210
Office running costs	26	2	28	35
Computer costs	164	108	272	224
Lloyd's overseas operating expenses	277	54	331	205
Lloyd's premium levy	542	140	682	577
Lloyd's processing costs	148	144	292	156
Auditors' remuneration	11	6	17	37
Other professional fees	41	48	89	115
Miscellaneous	386	(6)	380	440
Interest charges	371	1,313	1,684	439
Gross syndicate operating expenses	3,409	2,011	5,420	3,532
Expense credits	(4)	(5)	(9)	–
	3,405	2,006	5,411	3,532

2 SYNDICATE OPERATING EXPENSES CONTINUED

	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Staff and related costs	1,574	290	1,864	1,273
Premises costs	204	37	241	170
Office running costs	40	5	45	26
Computer costs	82	203	285	164
Lloyd's overseas operating expenses	49	211	260	277
Lloyd's premium levy	287	456	743	542
Lloyd's processing costs	79	186	265	148
Auditors' remuneration	3	4	7	11
Other professional fees	44	12	56	41
Miscellaneous	173	(4)	169	386
Interest charges	368	299	667	371
Gross syndicate operating expenses	2,903	1,699	4,602	3,409
Expense credits	(41)	(4)	(45)	(4)
	2,862	1,695	4,557	3,405
			2000 Account at 12 months £'000	1999 Account at 12 months £'000
Staff and related costs			2,085	1,574
Premises costs			439	204
Office running costs			58	40
Computer costs			82	82
Lloyd's overseas operating expenses			56	49
Lloyd's premium levy			403	287
Lloyd's processing costs			184	79
Auditors' remuneration			22	3
Other professional fees			40	44
Miscellaneous			223	173
Interest charges			64	368
Gross syndicate operating expenses			3,656	2,903
Expense credits			(24)	(41)
			3,632	2,862

During calendar year 2000 the underwriter Mr T A Clegg's gross remuneration, including pension contributions charged to the syndicate was £332,267 (1999: £167,000, of which £143,000 related to J E Mumford and £24,000 related to T A Clegg). This included £165,320 in respect of compensation for loss of office. No charge had been allocated to the syndicate in respect of Mr A W Holt at 31 December 2000.

Gross syndicate operating expenses for the 1998 account, before Lloyd's premium levy, interest charges and claims handling adjustments are 12.6% greater than set out in the 1998 business plan. The principal variances relate to computer costs and Lloyd's overseas operating expenses, which are outside the control of the syndicate.

3 BALANCE ON TECHNICAL ACCOUNT

	1998 Account £'000	1997 Account £'000
Balance attributable to business allocated to the 1998 (1997) year of account	(11,014)	3,333
Deficiency on the reinsurance to close the 1997 (1996) account	(7,223)	(749)
	(18,237)	2,584
Profit on exchange	238	165
Syndicate operating expenses	(5,411)	(3,532)
	(23,410)	(783)

4 INVESTMENT RETURN

	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Investment income receivable	1,311	2,847	4,158	3,510
Accrued income	(144)	65	(79)	(171)
Investment income	1,167	2,912	4,079	3,339
Investment gains less losses	(196)	813	617	(365)
Gross investment return	971	3,725	4,696	2,974
Less: investment expenses and charges	(19)	(13)	(32)	(45)
	952	3,712	4,664	2,929

	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Investment income receivable	199	1,543	1,742	1,311
Accrued income	(27)	16	(11)	(144)
Investment income	172	1,559	1,731	1,167
Investment gains less losses	(37)	538	501	(196)
Gross investment return	135	2,097	2,232	971
Less: investment expenses and charges	(2)	(11)	(13)	(19)
	133	2,086	2,219	952

4 INVESTMENT RETURN CONTINUED

	2000 Account at 12 months £'000	1999 Account at 12 months £'000
Investment income receivable	330	199
Accrued income	(12)	(27)
Investment income	318	172
Investment gains less losses	130	(37)
Gross investment return	448	135
Less: investment expenses and charges	(49)	(2)
	399	133

5 CALENDAR YEAR INVESTMENT YIELD

	2000 £'000	1999 £'000
Average syndicate funds available for investment during the year	83,660	53,200
Aggregate gross investment return for the year	6,194	2,288
Gross calendar year investment yield:		
Sterling	1.9%	5.8%
United States dollars	7.6%	4.2%
Canadian dollars	6.6%	4.6%
Combined	7.4%	4.3%

The average amount of syndicate funds available for investment has been calculated as the monthly average balance of investments and overseas deposits. The yield percentages exclude immaterial sources of income.

6 SYNDICATE PERSONAL EXPENSES

	1998 Account at 24 months £'000	Change in calendar year £'000	1998 Account at 36 months £'000	1997 Account at 36 months £'000
Lloyd's subscriptions and guarantee fees	1,332	–	1,332	1,175
Agent's fees	378	–	378	378
Profit commission	–	–	–	182
	1,710	–	1,710	1,735

	1999 Account at 12 months £'000	Change in calendar year £'000	1999 Account at 24 months £'000	1998 Account at 24 months £'000
Lloyd's subscriptions and guarantee fees	1,028	–	1,028	1,332
Agent's fees	379	–	379	378
	1,407	–	1,407	1,710

	2000 Account at 12 months £'000	1999 account at 12 months £'000
Lloyd's subscriptions and guarantee fees	954	1,028
Agent's fees	380	379
	1,334	1,407

Individual members' personal expenses are charged as incurred. The amounts due from members' in respect of US and Canadian Federal Income Tax have been excluded from syndicate personal expenses as these amounts have not arisen specifically from the activities of the syndicate. These amounts are shown in debtors and will be collected from members directly.

7 FINANCIAL INVESTMENTS

	2000 Cost £'000	2000 Market value £'000	1999 Cost £'000	1999 Market value £'000
Debt securities and other fixed income securities	73,352	74,638	54,504	53,108
Participation in investment pools	4,513	4,513	–	–
Letters of credit collateral	1,493	1,493	–	–
	79,358	80,644	54,504	53,108

8 DEBTORS

	2000 £'000	1999 £'000
Brokers' balances		
Lloyd's Central Accounting balance:		
Arising out of direct insurance operations	655	1,271
Arising out of reinsurance operations	3,416	3,220
	4,071	4,491
Accruals:		
Arising out of reinsurance operations	13,763	4,905
Other amounts due from brokers:		
Arising out of direct insurance operations	187	–
Arising out of reinsurance operations	376	–
	563	–
Taxation: Income tax deducted at source	3	13
Overseas taxation	382	370
Other debtors	999	727
	19,781	10,506
Due after 12 months	20	22

9 OVERSEAS DEPOSITS

Deposit	Country	2000 £'000	1999 £'000
Australian Joint Asset Trust Funds	Australia	24	–
Australian Trust Fund	Australia	428	–
South African Transitional Trust Fund	South Africa	44	–
South African Trust Fund	South Africa	112	–
Illinois Reserve	USA	2,843	2,177
Joint Asset Trust Fund	USA	3,337	2,620
Kentucky Trust Fund	USA	1,110	491
Additional Securities Limited Loan	Various	54	457
		7,952	5,745

10 CREDITORS

	2000 £'000	1999 £'000
Brokers' balances		
Lloyd's Central Accounting balance:		
Arising out of direct insurance operations	19	33
Arising out of reinsurance operations	705	886
	724	919
Accruals:		
Arising out of reinsurance operations	27,600	6,911
Other amounts due to brokers:		
Arising out of direct insurance operations	37	–
Arising out of reinsurance operations	557	5,818
	594	5,818
Due to managing agent	2,929	140
Agency profit commission payable	–	182
Inter-syndicate loans	14,560	–
External loan facility	8,054	6,211
Other creditors	214	210
	54,675	20,391
Due after 12 months – arising out of reinsurance operations	8,715	7,589

The external loan facility is contractually due to be repaid by 31 October 2001.

11 BALANCE ON CLOSED YEAR OF ACCOUNT

	2000 £'000	1999 £'000
1998 (1997) year of account result before personal expenses		
Sterling Trust Fund	9,808	(1,311)
Lloyd's American Trust Fund (\$707,634, 1997: \$(1,584,598))	475	(984)
Lloyd's Dollar Trust Fund (\$(43,596,056), 1997: \$8,000,188)	(29,259)	4,969
Canadian Dollar Trust Fund (\$514,158, 1997: \$(1,235,489))	230	(528)
	(18,746)	2,146
Transfers to members' premium trust funds		
Members' agents fees	(306)	(370)
Other personal expenses	(1,710)	(1,735)
Total withdrawals	(2,016)	(2,105)
1998 (1997) year of account balance after personal expenses and transfer to members' premium trust funds	(20,762)	41

Members' agents fees represent the amounts due by members to their agents in accordance with the separate agency agreements. These amounts do not appear on the Summary of Results on page 86.

Other personal expenses include £nil (1997: £182,000) in respect of profit commission due to the managing agent on the result of the 1998 account. This has been calculated in accordance with the terms of agency agreements for respective members.

1998 (1997) result distributed/(collected) in

	Currency '000	Currency '000
Sterling	(17,908)	41
Lloyd's American Trust Fund dollars	708	-
Lloyd's Dollar Trust Fund dollars	(4,962)	-
Total in sterling at £1 = \$1.49 (1997: \$1.61)	(20,762)	41

Distribution in Canadian dollars is not permitted under the Lloyd's Canadian Trust Deed.

12 SEGMENTAL INFORMATION

	Fire and other property damage £'000	Motor other £'000	Third party liability £'000	Other direct £'000	Reinsurance acceptances £'000	Total £'000
2000 account at 12 months						
– risks located in the UK	532	–	373	198	1,501	2,604
– risks located in other EC countries	1	–	–	17	669	687
– risks located in other countries	8,198	4,924	7,851	4,556	16,767	42,296
Gross premiums	8,731	4,924	8,224	4,771	18,937	45,587
Gross claims paid	(1,812)	(2,533)	(184)	(1,428)	(2,899)	(8,856)
Gross operating expenses	(696)	(392)	(655)	(380)	(1,509)	(3,632)
Reinsurance balance	(1,920)	(170)	(523)	(498)	(14,010)	(17,121)
Average rate of commission	32%	29%	27%	27%	20%	27%
1999 account at 24 months						
– risks located in the UK	341	–	462	279	1,189	2,271
– risks located in other EC countries	74	52	75	108	581	890
– risks located in other countries	14,209	10,487	16,262	11,064	15,505	67,527
Gross premiums	14,624	10,539	16,799	11,451	17,275	70,688
Gross claims paid	(10,998)	(8,016)	(1,879)	(7,523)	(16,120)	(44,536)
Gross operating expenses	(943)	(679)	(1,083)	(737)	(1,114)	(4,556)
Reinsurance balance	(540)	(365)	9,237	(753)	(13,859)	(6,280)
Average rate of commission	32%	29%	25%	26%	19%	26%
1998 and prior at 36 months						
– risks located in the UK	400	–	486	1,025	513	2,424
– risks located in other EC countries	464	60	–	242	384	1,150
– risks located in other countries	12,587	7,796	20,162	11,218	9,200	60,963
Gross premiums	13,451	7,856	20,648	12,485	10,097	64,537
Gross claims paid	(14,193)	(7,145)	(19,638)	(15,380)	(13,099)	(69,455)
Gross operating expenses	(1,128)	(659)	(1,731)	(1,047)	(846)	(5,411)
Reinsurance balance	(959)	(429)	6,052	2,323	(7,569)	(582)
Average rate of commission	28%	25%	24%	22%	21%	24%

Gross premiums signed have been analysed by reference to the situs of risk and EC Directive category based on risk code. Gross operating expenses have been allocated to categories in proportion to their respective gross premium incomes. The reinsurance balance comprises reinsurance recoveries received less outward reinsurance premiums paid and has been allocated to EC Directive categories by reference to risk code. This balance includes reinsurance accruals but excludes any premiums paid or received as a reinsurance to close. Gross claims have also been analysed by EC Directive category based on risk code.

13 CONSORTIUM UNDERWRITING

The table below shows the consortia that syndicate 1141 is part of for each year of account.

Consortium name	Lead syndicate	Description	Percentage of total gross premium		
			1998	1999	2000
ASU Enterprise Consortium-Tyche	318	Contingency	0.10%	0.16%	0.32%
B&W Gold Consortium (Risk Code PD)	1096	Property	–	0.51%	3.06%
B&W Gold Consortium (Risk Code UA)	1096	General Liability	–	0.74%	1.25%
B&W Gold Consortium (Risk Code MG)	1096	Motor	–	0.03%	0.14%
Central and Eastern European Reinsurance Services Ltd	991	Property, Casualty and Marine	0.60%	0.81%	0.96%
Eliot War Consortium	53	Aviation, Hull, War	–	0.24%	0.24%
Enterprise Consortium	318	Contingency	0.92%	1.09%	1.52%
LDG Worldwide Ltd	79	Personal Accident	0.45%	1.22%	–
Lloyd's Self-Insured Workers Compensation Consortium	435	Workers' Compensation	0.13%	0.07%	0.29%
Lloyd's Railroad Protective Consortium	314	Railroad Protective Liability	0.10%	0.03%	0.07%
SFL Consortium	234	Property	0.09%	0.07%	–
SRU Consortium	529	Extended Warranty	1.52%	2.22%	1.26%
Travel & PA Consortium	959	Personal Accident	1.08%	–	–

Written agreement was given prior to commencement of each of the above consortia, in respect of the basis of commissions, fees and remuneration. Other than in relation to the affairs of the consortium, no other income was received by the managing agent or any underwriter employed by it, from members of the consortium.

14 FINANCIAL COMMITMENTS

The syndicate is committed to sell US\$15.2m on the 29 March 2001. This contract was bought to hedge the future purchasing of US dollars for US situs funding.

15 DISCLOSURE OF INTERESTS

There have been no transactions entered into by the agency on behalf of the syndicate in which it, or any of its executives, had a material interest.

	1998 Account £'000	1999 Account £'000	2000 Account £'000
Syndicate allocated capacity	76,202	76,142	76,280
Composition	%	%	%
Working Names employed by the agent	0.83	0.46	0.46
Other working Names	1.95	1.22	0.80
External Names	14.26	13.44	7.01
Members agent pooling arrangement	34.07	18.17	10.11
Corporate capital	45.58	62.49	77.81
Scottish Limited partnerships	3.31	4.22	3.81
	100.00	100.00	100.00
Number of Members	661	717	382
Composition	%	%	%
Working Names employed by the agent	0.61	0.28	0.52
Other working Names	9.38	6.14	7.07
External Names	75.04	74.05	59.95
Members agent pooling arrangement	5.29	2.65	2.09
Corporate capital	4.54	10.74	21.47
Scottish Limited partnerships	5.14	6.14	8.90
	100.00	100.00	100.00

	1992 Account £'000	1993 Account £'000	1994 Account £'000	1995 Account £'000	1996 Account £'000	1997 Account £'000	1998 Account £'000
Syndicate allocated capacity	24,827	25,275	62,697	75,059	76,057	76,203	76,202
Aggregate net premiums	19,189	20,645	26,036	35,763	32,894	38,666	47,327
Results for a member with an illustrative share of £10,000:							
	£	£	£	£	£	£	£
Gross premiums	10,221	10,692	5,357	6,161	6,053	7,072	8,469
Net premiums	7,729	8,168	4,153	4,765	4,325	5,074	6,211
Reinsurance to close premium received	4,274	5,966	1,187	1,920	2,723	3,591	3,899
Net claims	(5,330)	(5,537)	(2,237)	(3,199)	(3,312)	(4,673)	(6,385)
Reinsurance to close premium paid	(6,029)	(7,487)	(2,234)	(2,789)	(3,492)	(3,653)	(6,118)
Underwriting result	644	1,110	869	697	244	339	(2,393)
Profit/(loss) on exchange	(94)	(5)	(22)	24	(3)	22	31
Syndicate operating expenses	(422)	(615)	(318)	(257)	(226)	(463)	(710)
Balance on technical account	128	490	529	464	15	(102)	(3,072)
Investment return	359	900	296	358	448	384	612
Profit/(loss) before syndicate personal expenses and profit commission	487	1,390	825	822	463	282	(2,460)
Illustrative syndicate personal expenses	(346)	(353)	(343)	(343)	(160)	(175)	(200)
Illustrative profit commission	(31)	(165)	(64)	(64)	(45)	(16)	-
Profit/(loss) after syndicate personal expenses and profit commission	110	872	418	415	258	91	(2,660)
	%	%	%	%	%	%	%
Capacity utilised	102.2	106.9	53.6	61.6	60.5	70.7	84.7
Net capacity utilised	77.3	81.7	41.5	47.7	43.3	50.7	62.1
Balance on technical account to gross premiums	1.3	4.6	9.9	7.5	0.2	(1.4)	(36.3)

Notes to the seven year summary

- 1 The seven year summary has been prepared from the audited accounts of the syndicate.
- 2 Personal expenses have been stated at the normal amount incurred by traditional names and MAPA participants writing the illustrative share.
- 3 With effect from the 1993 year of account, investment return comprises investment income and investment gains or losses less investment expenses. For years of account prior to 1993 investment expenses are within syndicate operating expenses.
- 4 For the 1996 account the 1998 calendar year movement of claims settlement expenses have been included in net claims. Similar adjustments have not been made for the 1995 and prior accounts as the information is not considered significant.

	1996 Account £'000	1997 Account £'000	1998 Account £'000
Result	1,778	411	(20,456)
Composition			
Working Names employed by the agent	5	2	(170)
Other working Names	13	8	(399)
External Names	263	63	(2,917)
Members agent pooling arrangement	968	208	(6,969)
Corporate capital	529	129	(9,324)
Scottish Limited partnerships	–	1	(677)
	1,778	411	(20,456)

EXECUTIVE PARTICIPATIONS IN SYNDICATES 2001, 902 AND 1141: 1998 TO 2001 YEARS OF ACCOUNT

		1998 £'000	1999 £'000	2000 £'000	2001 £'000
P N Archard	2001	453*	–	–	–
D J Armes	2001	100*	–	–	–
B D Carpenter	2001	327	327	305	240
A M Davies	2001	65	53	52	94
D N Harries	2001	80*	69*	64*	100*
A W Holt	2001	250	–	–	–
R J R Keeling	2001	883*	–	–	–
S P Lotter	2001	80*	–	–	–
I Macnabb	2001	200*	171*	160*	221*
D E S Shipley	2001	85*	85*	68*	–
C J Ventiroso	2001	65	–	–	–
M C Hewett	902	35	–	–	–
R J Lewy	902	25	–	–	–
A J Walker	902	50	–	–	–
T A Clegg	1141	107	–	–	–
A M Davies	1141	50	50	50	–
R J R Keeling	1141	71*	–	–	–
J E Mumford	1141	300	300	300	–

* participation via SLP

S C W Beale, T M Bronk, J R Butler, D J Clarke, R G Dampier, C M Fagan, R A Hextall, A G P Hobrow, N F Holland, J le T Illingworth, R Mylvaganam, C E L Philipps, I R C Shackell, A P Springett and R V Tolliday were not underwriting members of Lloyd's during the period under review.

DIRECTORSHIPS IN INSURANCE ENTITIES AT 31 DECEMBER 2000

All executives' insurance directorships are within the Amlin Group companies, other than as follows:

Name of director and company	Nature of business	Ultimate parent company
C E L Philipps Lloyd's Japan Incorporated	Insurance agent	The Corporation of Lloyd's

CURRENT DIRECTORS: SHAREHOLDINGS AT 31 DECEMBER 2000 IN AMLIN PLC

	Ordinary	Options
A M Davies	140,009	–
S C W Beale	31,975	251,370
B D Carpenter*	345,693	523,761
R G Dampier	–	263,515
M C Hewett	189,600	473,939
R A Hextall*	11,870	250,000
A W Holt*	1,995,741	610,001
J le T Illingworth*	34,198	535,678
R J Lewy	–	–
I Macnabb	595,302	144,551
R Mylvaganam*	2,000	–
C E L Philipps*	77,962	721,903
I R C Shackell	–	120,000
A P Springett	2,000	177,014

The above includes spouses' shareholdings. * Indicates directors who are also directors of Amlin PLC and/or an affiliated corporate member of Lloyd's.

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