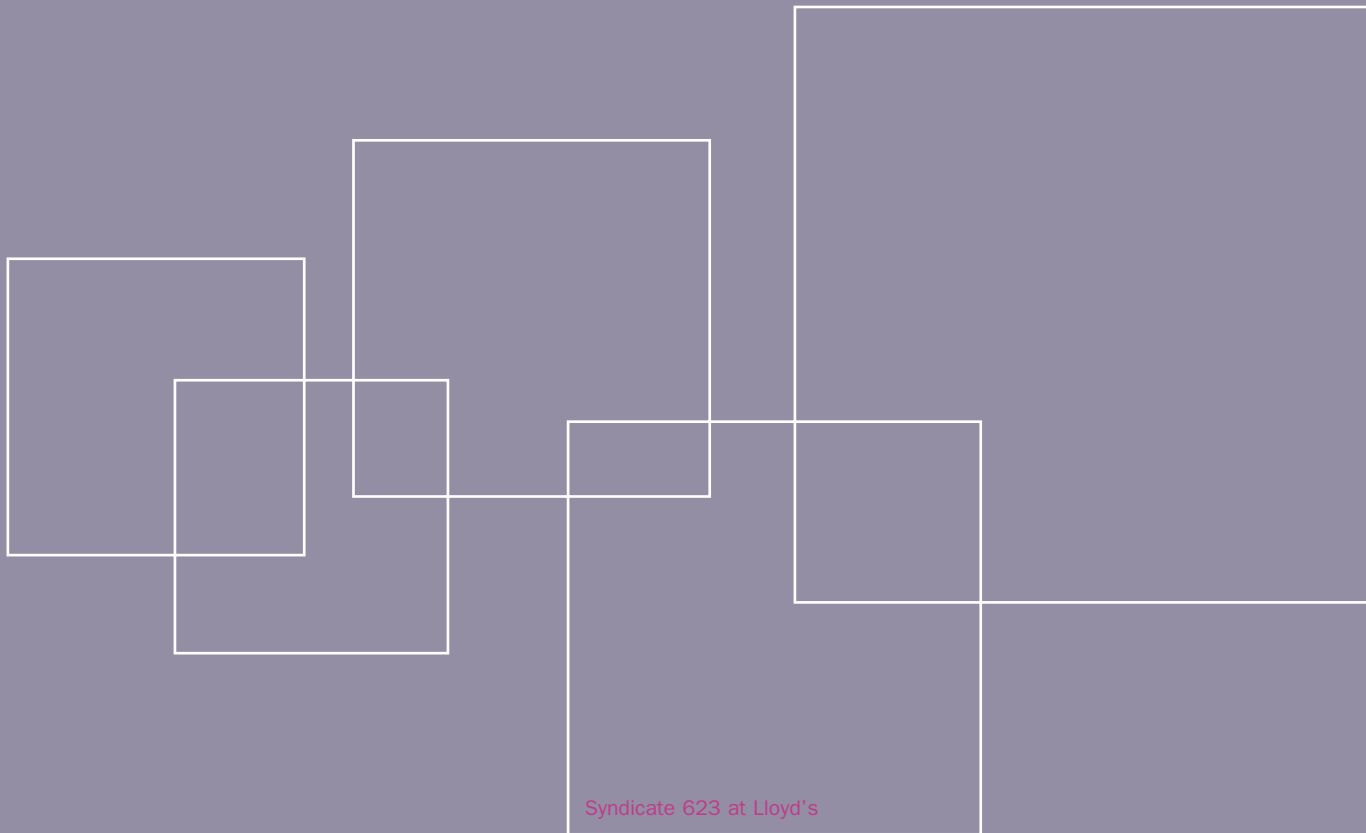


Beazley

Annual Report
2000



Syndicate 623 at Lloyd's

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SYNDICATE 623 – SUMMARY FINANCIAL INFORMATION

	1998	1997	1996	1995	1994
Allocated capacity – £'000s	94,690	89,874	90,013	91,654	92,317
Capacity utilised	88%	72%	71%	78%	65%
Aggregate net premiums – £'000s	56,589	44,489	44,062	48,315	40,222
Net capacity utilised	60%	50%	49%	53%	44%
Net profit on an illustrative share	0.1%	1.1%	2.9%	8.3%	6.8%

Note: The summary financial information above should be read in conjunction with the full Annual Report.

UNDERWRITER'S REPORT**CLOSED YEAR**

As reported last year, trading conditions during the 1998 and 1999 years of account were hostile, and characterised by falling premiums and a worsening loss climate. All areas of the Syndicate found profits elusive except for the Treaty account, which yet again produced a satisfactory margin.

The Syndicate devotes considerable time and attention to the setting and monitoring of closed year reserves, and the stability of our business is a reflection of their accuracy. After conducting the normal process of in-depth review, the Board has agreed to a release of £4.4m of reserves from prior years.

The account has closed within our forecast with a final result of 0.1%.

OPEN YEARS**1999**

The prospect for 1999 is little better than for 1998, and the forecast is between (1.1%) to 3.9% following the deduction of all expenses except Members' Agents' fees. Whilst the incurred loss ratios were better at the 12 month stage, losses from Hurricane Lenny, which struck the Caribbean in December 1999, together with other attritional losses, have left the overall ratios tracking those of 1998.

The Commercial Property account suffered some large individual losses from long-term clients who have enjoyed good claims records for some years. In addition, the contracts and cover book produced poor results across the Syndicate. When trading in such difficult conditions the performance of only one or two contracts can disturb the equilibrium of the entire portfolio, and the main upsets for the Syndicate derived from a UK homeowners' contract, a contract covering sports and leisure business in the UK and Australia, and various motor contracts in the USA. All these areas fall within the sphere of our specialised underwriting capability, but collectively under performed at a time when there was little profit in the rest of the portfolio. In addition, unacceptable results were produced by our medical expense book, which was written following recognised leads, and we have now withdrawn from the class altogether.

Although we are not happy with the forecast, we consider that the achievement of a break-even result, given such a vicious downturn in trading conditions, and in comparison with the results of the market as a whole, could be viewed as acceptable.

2000

The Syndicate's capacity was increased from £95m to £125m. From the outset management viewed this as a year of change, beginning in certain sectors in 2000, then accelerating and spreading across many areas of the business during 2001 and 2002.

Property insurance was the first area in which improved trading conditions were seen. Because the mature outcome of a short-tail account is evident at an earlier stage, and because there is little room for subjectivity when setting reserves and funding losses, self-delusion is difficult. This is not necessarily the case with long-tail business where, by taking an optimistic view of reserves required for future loss development and of the effects of fiscal and social inflation, insurers can convince themselves that they are still making money when in fact the opposite is true. Having exhausted the goodwill of the reinsurance sector, which then began to either withdraw coverage or tighten terms, the pressure on the US and some international property markets to increase rates gathered pace, and by mid year changes were evident. The Syndicate's income for this area is up by 50%, and the net loss ratio compares well to those of earlier years.

As rate increases also began to impact the Treaty sector we increased our participations on key client accounts and sought strategic positions on programmes that we deemed to have good potential for long term profits.

UNDERWRITER'S REPORT

The increase in our Specialty Lines portfolio has been generated by the continuing growth of the service sector, which has seen a plethora of new business start-ups fuelled by the new technology economy. Professional indemnity coverage for the "smaller" client has produced good results and has proved an excellent opportunity to broaden our portfolio, as well as being a natural fit with existing business.

The Marine account has maintained a "holding pattern", concentrating on specialist sectors for the time being. Our goal is to produce a modest net profit for the account this year, and patiently await the dawning of the results of past follies on the world markets.

The Syndicate's overall 12 month incurred loss ratios for this year compare favourably with those of 1999 and 1998, and we expect this improvement to signal a change in fortune for our results. However, it is early days to predict the final outcome of 2000, and any comment can only be based on a comparison of results against previous years at the same stage of development.

In addition to improved loss ratios, a low expense ratio and fuller use of stamp capacity should help the final outcome.

OUTLOOK

As a general comment on world trading conditions, it is not often that one finds both the insurance and reinsurance markets losing money at the same time. The insurance market is now being challenged to raise prices to levels sufficient to pay the increased premiums being demanded by reinsurers and to produce a reasonable return for their own capital providers.

For the past two years, insurers have been under-pricing their product and relying on other factors, such as good investment returns and a soft reinsurance market, to transform what would otherwise have been extremely poor trading results into bottom line profit. But the downward drift in financial performance has now become a dramatic slide, and insurers are beginning to realise material losses. The situation requires immediate action. It is no longer possible to transfer loss-making business to reinsurers, who are now, quite rightly, looking for the repayment of past losses in addition to true prices for the exposures on offer. At the same time the outlook for investment returns has deteriorated and, according to some economists, could become gloomy.

The Syndicate is now seeing the changing trading conditions of 2000 beginning to gain momentum, and we expect upward pressure on rates to increase through the year. Unlike the market correction of the mid 1980's, when rates were increased by multiples across many lines of business, we expect the market to use its enhanced ability to access and utilise data using modern technology to drive a more selective reaction. Loss making and high-risk sectors will be targeted, while better performing and lower risk portfolios will, where possible, be preserved. As Lloyd's specialises in the tougher end of the risk spectrum, this scenario will present our market with plenty of opportunities.

For Syndicate 623, 2001 signals a milestone in our development. The capacity of the Syndicate remained stagnant during the six years from 1994 to 1999, as we deemed there to be few opportunities for profitable material growth at that time. Instead, we invested in people and technology during this period, developing our skills, knowledge and management systems to a level where we are confident of being able to achieve growth without straining the structural integrity of the business.

We have remained a single-syndicate agency, avoiding the overlapping and power conflicts that have dogged many of Lloyd's larger, multi-syndicate agencies. Notably, we have created a flat management structure for the business, centred on the Syndicate's four main areas of business and under single strategic direction. This structure allows all underwriting and claims matters to be managed within the four underwriting teams, subject to further centralised reporting and review. Matters relating to the day-to-day operations of the Syndicate, such as IT, accounting and reinsurance buying, are managed within a small central support function. All other activities, ranging from investment management to data entry, are outsourced.

UNDERWRITER'S REPORT

By allowing underwriters to concentrate on the business of risk taking, enhancing communication and strategic flexibility, and providing increased opportunities for the personal development of individual employees. This structure lends the Syndicate a significant competitive advantage. Moreover, it is a reflection of the Syndicate's culture, which is one in which the principles of personal accountability and both individual and collective responsibility are paramount.

As our people and our business have matured, we have found ourselves in an environment where others are beginning to falter, causing both clients and their brokers to increasingly look to our underwriters to lead their business. The situation accords with our aim to build lead positions and achieve greater control in our chosen areas of speciality. Last year we led approximately 48% of our business, compared with 28% for 1997, and this shift in market position, together with material changes in premium rates and the potential for a greater influx of business, has led us to increase our stamp capacity from £125m to £215m for 2001. Although this could be perceived as dramatic in terms of percentage growth, the Syndicate was able to trade £140m of business during the 2000 year of account with the assistance of a 'qualifying quota share' facility.

It should be noted that an increase in overall premium income does not necessarily correlate with the growth in the number of risks traded. For example since rates in some areas of the Commercial Property portfolio have now reached an acceptable level, the Syndicate will be writing more primary layer business. The primary layer refers to the first layer of cover in a layered insurance programme, and naturally carries a far higher premium, in line with the greater monetary risk being assumed. In past years, the Syndicate has viewed this area as badly underrated and has retreated from it, choosing either to decline placements or to find an acceptable portion of the risk on higher layers of the programme. However, this situation is changing for 2001.

Another reason for growth is a variation in the percentage of risks accepted by the Syndicate. Our strategy from 1998 to 2000 included writing larger participations on those placements we deemed to be better risks, and we succeeded in increasing our average line size by 33% during this period. This resulted in an increase in premium generated, although, interestingly, the number of transactions registered by the Syndicate during the period remained constant.

The percentage of capacity supplied to the Syndicate by traditional members of Lloyd's, whether on a limited or unlimited basis, is an unusual feature of the business. We consider that the Lloyd's system of partnering independent managing agencies with capital providers who are committed to the market and its business serves to attract entrepreneurial talent, and produces good returns for its participants. It is our hope that the amount and variety of capital available to the market increases, so that it is able to support the demands of growing Syndicates in addition to backing the new professional ventures that invigorate and regenerate the market as a whole.

It is anticipated that we will be offering a further pre-emption for 2002 if our prognosis for the market proves correct.

It has been another year of hard graft for the loyal team who strive so hard on your behalf. Their patience is now being rewarded, and the next twelve months should prove more fun, a word that has been absent for some years.

Yet while we can now smell the scent of a changing market, we will adhere to the well-chosen words of advice of a senior underwriter to his younger colleagues, urging them "not to let the perfume of the premium overcome the odour of the risk".

REINSURANCE

The Syndicate's retentions under its core reinsurance programmes remained substantially unchanged for 2000.

To cater for the growth in premium income, qualifying quota shares of up to a maximum of £20m for the Specialty Lines department and £4m for the Property Group have been purchased for the 1999 and 2000 years of account, with the final amounts to be ceded depending on the Syndicate's final premium income. It is intended to continue with similar arrangements for the foreseeable future.

UNDERWRITER'S REPORT

Commutation agreements were concluded during 2000 with three reinsurers whose ability to pay claims in full over the medium or long term was causing us concern. By acting quickly we have been able to create certainty in respect of these future reinsurance recoveries.

Last year we predicted that the reinsurance market was likely to harden, and it has. Our good relationships with our reinsurers has paid dividends, and we have been able both to renew the majority of our programs at sensible prices and buy more protections where required. We anticipate that the hardening will continue through 2001 and that this, coupled with the Syndicate's growth in premium income, will result in corresponding increases in reinsurance expenditure and higher levels of retention.

The Syndicate's exposure to catastrophe losses is regularly monitored and reinsurance protections are purchased in accordance with loss parameters set by the Board. Although our catastrophe programme will cater for most events, it is not however possible to buy sufficient protection to cater for all eventualities.

The scrutiny of reinsurance security remains the responsibility of the Syndicate's Reinsurance Security Committee, which utilises market research provided by Benfield Advisory.

The percentages of total reinsurance costs payable to the Committee's designated categories of reinsurers are as follows:-

	1998	1999	2000
	%	%	%
Lloyd's	19.2	9.4	14.1
DTI approved companies	46.2	58.5	63.9
Non-DTI approved companies	34.6	32.1	22.0
Companies within the EC	69.9	80.0	83.0

The non-DTI approved companies from which we purchase reinsurance comprise non-UK domiciled insurance companies, all of which have been vetted by the Security Committee. The information in the above table has been calculated on the basis of material reinsurance placed.

GROSS PREMIUM INCOME

The levels of gross premiums translated at premium monitoring rates and as a percentage of gross allocated capacity are as follows:

	1998		1999		2000	
	£m	%	£m	%	£m	%
Capacity	94.7		94.7		125.4	
@ 12 months	39.9	42.1	60.9	64.1	73.8	58.9
@ 24 months	74.8	79.0	105.4	110.9		
@ 36 months	80.2	84.7				

Gross premium income signed is unlikely to exceed the allocated capacity for 1998. For 1999 and 2000, the final signed income is currently estimated to be £113m and £136m which are £18m and £11m above the allocated stamp capacity of each year. A qualifying quota share has been entered into with Munich Re and General Cologne Re to provide the necessary relief over both stamp capacities.

UNDERWRITER'S REPORT

NET PREMIUM INCOME

The levels of net premiums translated at premium monitoring rates and as a percentage of gross allocated capacity are as follows:

	1998		1999		2000	
	£m	%	£m	%	£m	%
Capacity	94.7		94.7		125.4	
@ 12 months	21.2	22.0	35.0	36.8	39.3	31.3
@ 24 months	51.0	53.9	66.6	70.1		
@ 36 months	54.4	57.4				

Net premium income signed is unlikely to exceed the allocated capacity for any one of the above years.

INCURRED LOSS RATIOS

	1998		1999		2000	
	Gross %	Net %	Gross %	Net %	Gross %	Net %
@ 12 months	42.1	48.1	36.4	35.6	22.4	30.1
@ 24 months	70.6	65.3	62.8	60.1		
@ 36 months	86.1	81.5				

ILLINOIS LICENSED BUSINESS

The arrangements for writing Illinois licensed business require licensed members i.e. currently non-US external individual members of the Syndicate, to accept Illinois risks and to cede a proportion of each such risk to unlicensed members of the Syndicate. The proportion of each Illinois risk that is retained by licensed members and the excess over that proportion that is ceded to unlicensed members is calculated by reference to the amount of Lloyd's regulatory deposit held in Illinois.

	1998	1999	2000
	£000's	£000's	£000's
Premiums accepted	1,611	2,327	1,786

 UNDERWRITER'S REPORT

ANALYSIS OF THE ACCOUNT

	1998 at 36 mths	1999 at 24 mths	2000 at 12 mths
	%	%	%
Category of Business			
Long tail	33.9	31.4	22.1
Short tail	66.1	68.6	77.9
	-----	-----	-----
	100.0	100.0	100.0
	-----	-----	-----
Department			
Specialty Lines	47.1	44.8	32.4
Global Property	21.2	21.6	29.7
Reinsurance	13.8	12.1	22.6
Retail and Personal Lines	7.9	8.2	6.3
Marine	1.5	10.2	8.6
Personal Accident	8.5	3.1	0.4
	-----	-----	-----
	100.0	100.0	100.0
	-----	-----	-----
Currency			
Sterling	36.6	32.7	28.2
US Dollars	60.4	64.8	69.4
Canadian Dollars	3.0	2.5	2.4
	-----	-----	-----
	100.0	100.0	100.0
	-----	-----	-----
Acceptance			
Facultative	37.2	43.3	46.0
Excess of Loss Treaty	13.6	13.9	23.0
Line Slip	10.0	12.3	8.3
Binding Authority	33.1	27.9	21.5
Proportional Treaty	6.1	2.6	1.2
	-----	-----	-----
	100.0	100.0	100.0
	-----	-----	-----

Note: The figures shown above are subject to fluctuation during the second and third years.

DESCRIPTION OF BUSINESS UNDERWRITTEN**INTRODUCTION**

The Syndicate's account is underwritten by four departments:

1 SPECIALTY LINES

The majority of the department's portfolio comprises non-mainstream, "specialist lines" business intended to address meaningful economic exposures which may be overlooked by more traditional insurers.

Coverages are mainly triggered on a claims made or losses discovered, as opposed to an occurrence, basis in order to limit the period of time during which claims can attach to expired policies, significantly shortening the tail of this account.

The department's products fall into the following main categories:

Professional Indemnity

This is a key area, and comprises the largest section of the Specialty Lines portfolio. Clients include both traditional professionals, such as lawyers, accountants, architects, engineers, contractors and insurance brokers, and an increasingly large number of miscellaneous third party service providers who make up the new professions. These include management consultants, environmental consultants, and specialists in areas such as information management, telecommunications and both the traditional and electronic media. For the key US small company PI market, Beazley has developed and launched an on line trading facility called Eazypro which shows great promise.

The Syndicate takes a leading position on most classes of US professional liability and also has international lead capabilities in this field, with the team specifically targeting for development emerging professional indemnity markets comprising a large proportion of first time buyers.

Financial Institutions

The department writes an established book of professional liability and crime coverages (including bankers' blanket bond and commercial fidelity) for banks, fund managers, stockbrokers, stock exchange and financial regulatory authorities. A particular area of focus has been in the growing 'offshore' banking markets of the Caribbean. In addition to leading many individual accounts, the Syndicate is an acknowledged market leader in the insurance company and securities industries. The territorial spread of the portfolio lies substantially outside the difficult and highly competitive UK and US markets, although the Syndicate underwrites a high excess, catastrophe US book.

Directors and Officers Liability

The Syndicate underwrites a worldwide portfolio of directors' and officers' liability business that encompasses both traditional and more specialised commercial and financial areas.

Other Third Party Products

The third party liability portfolio is made up of an established book of railroad, legal expense and other specialist third party liability coverages.

Political Risks, Sabotage, Extortion and Terrorism

An increasing number of companies are becoming aware of the protection such products offer against the trading risks created by international political uncertainties. The Syndicate has established itself as a market leader for these classes of business and is developing enhanced capacity to meet demand for these products.

Product Contamination and Product Recall

"Total Recall" cover is a successful policy designed to protect food and drink companies from economic loss, including business interruption, which may result from the accidental or malicious contamination of their products. An amended form of the cover has been developed to cater for selected consumer products such as toys and white goods. The Syndicate is able to consider recall coverage on a worldwide basis and is the market leader of the Lloyd's facilities for this class.

Specialist Contingency

In many cases, companies are exposed to the risk of severe loss due to factors that lie outside their control. The purchase of contingency policies that respond to defined exposures, such as kidnap and ransom coverage, can mitigate this risk. The Syndicate has developed a number of highly innovative products in this sector, including liquidated damages cover.

"Crisis Link Plus"

Many Specialty Lines products offer clients unique access to "Crisis Link Plus", a world-wide network of experienced crisis response consultants providing services in such areas as public relations, security, kidnap response and scientific analysis.

2 REINSURANCE**Property Reinsurance**

The Syndicate has specialised in writing property catastrophe risk excess and pro rata business since its formation in 1986. While market capacity has fluctuated dramatically during the last 15 years in response to catastrophes, we have remained committed to this market and have increased our support to many of our long-standing clients.

The portfolio consists of business in most territories of the world but is particularly strong in the USA, the UK, Japan, Canada and Australasia.

The underwriters employ the most up-to-date software programmes and analytical tools to assist risk assessment and to help utilise available capacity more effectively.

The Syndicate attaches particular importance to client visits and meetings in order to develop a proper understanding of each risk.

The combination of experience, technical support and a good understanding of clients' reinsurance requirements enable the Syndicate to set terms in this class.

Casualty Reinsurance

The Syndicate provides reinsurance capacity to cedants who operate in areas which are complementary to our large direct casualty account. Access to business, geographical location and local market standing are all key factors.

The major part of the portfolio consists of catastrophe layers, protecting companies' Auto and WCA accounts. We actively promote the purchase of claims-made policies to supplement traditional occurrence coverage.

3 PROPERTY GROUP

Corporate Accounts

The Syndicate leads both primary and excess commercial property business. We take substantial positions with key clients who are committed to managing their own risk and who look for long-term stability in price and carriers.

The Syndicate has the expertise and experience to assess, price and structure risks throughout the world, utilising the support of recognised engineers and to work with clients on all aspects of risk management and risk control.

Overall emphasis is placed on service as a means to product enhancement. In-house technical support is provided and this includes claims and policy wordings specialists.

Binding Authorities (Covers)

An underwriter was employed in 2000 with specific responsibility for property covers at Beazley. He brings with him the necessary expertise and control required to manage a successful book of binding authorities.

The book of business is written worldwide, encompassing commercial property, trucking (FTC), private motor and homeowners (excluding UK).

Binding authorities are granted to experienced agents through selected brokers who enable us to access smaller premium business both economically and profitably.

Homeowners

Beazley works with brokers to develop tailor made products for their individual requirements, both within the UK and overseas. This recognises that individual portfolios of business have different requirements. Combining this flexibility with the use of up to date technology, we remain competitive.

Technology is key to this class of business and in the UK we use a database developed by the British Geological Survey to assist in the underwriting risk of subsidence. This underwriting tool allows us to assess the risk of subsidence at varying levels of detail. In some areas we are able to evaluate a property at street level by utilising the full postcode. Where contents insurance is required we rate at postcode sector level.

We consider the best vehicle for this business to be a binding authority granted to selected brokers and agents.

Block Policies

The largest class within this portfolio is made up of jewellers block and we lead the approved scheme for the National Association of Goldsmiths. Within the class of jewellers block we specialise in all areas of the trade including manufacturing, wholesaling and retailing. The standard policy gives comprehensive coverage for stock, loss of profits, buildings, rent, personal accident and stress counselling. The Syndicate promotes a high level of risk management and awareness to the jewellery trade as this adds value to the insurance product.

Other classes of block policies include antique dealers, fine art dealers, galleries, auctioneers and other similar type businesses within the trade.

Swiss Consortium

The consortium was formed to create a focal point for an existing book of small commercial property, homeowners and personal accident business in Switzerland. We are developing the existing portfolio by working closely with brokers to refine our current business and introduce some of the products that have been successful in other territories.

4 MARINE

The marine team provide long-term insurance solutions to the maritime related industries. Since the team arrived at the end of 1998 the book has experienced steady but focused growth commensurate with tough market conditions.

Vessels

The marine division is a recognised leader of owner operated shipping company business. The team places a high degree of emphasis on maintaining closer and knowledgeable relationships with the management and business of these companies. Coverage can be tailored for a broad spectrum of ages and vessel types.

Voyage and Tow Risks

We have always been a high profile leader in this area but our position has been further reinforced by the introduction of our 'Voyagesure' website. This provides a fully interactive online facility for the management of hull voyage and towage risks. The broad coverage encompasses both hull interests and associated liabilities.

Risks can be quoted and bound online with the automatic production of a Lloyd's covernote. This provides tangible economies for both underwriters and brokers.

Marine Liability

The team has developed a broad portfolio in this area with reinsurance as well as direct business and consortium participation.

A F Beazley
Active Underwriter
15 March 2001

MANAGING AGENT'S REPORT**MANAGING AGENCY**

Beazley Furlonge Limited has been the Managing Agent of Syndicate 623 throughout the period covered by this report and its registered office is One Aldgate, London EC3N 1AA.

DIRECTORS

The current directors of Beazley Furlonge Limited and their 2001 premium income limits on Syndicate 623 are disclosed on page 37.

RISK MANAGEMENT

The Managing Syndicate Risk committee, chaired by N H Furlonge, was formed during the year and it reports directly to the board.

The committee is charged with setting the internal controls for the acceptance of risk and monitoring in compliance with the parameters granted by the board. It also acts in an advisory capacity to the board in identifying new emerging areas of risk that could impact on the business of the Syndicate.

INVESTMENT REPORT

Following the increase in yields at the end of 1999, the investment returns were higher than last year.

The strategy followed by the Investment Committee was based on the expected result of the 1998 year of account. As only marginal profitability was predicted, it was agreed not to expose the investment portfolio to significant market risk.

The benchmark set for Alliance Capital Whittingdale Limited for all three currencies was the yield on the one year government bond as at 1 January 2000. This benchmark return was bettered in all currencies as value was added by purchasing corporate bonds and by benefiting in the fall in yields during the last quarter of the year.

The investment returns achieved were as follows:

	Calendar Year Yield		Split by Currency	
	2000	1999	2000	1999
	%	%	%	%
Sterling	6.9	6.7	15.2	13.7
US Dollars	7.1	4.6	80.8	81.1
Canadian Dollars	5.9	4.7	4.0	5.2
Overall average return	7.0	4.8		

In each currency, the strategy of matching the benchmark was continued until the final quarter when the portfolio was re-positioned to take account of the strategy for 2001.

A similar strategy will be followed during 2001 as the 1999 year of account is expected to be marginal. The overall returns for this year are expected to be lower as interest rates fell both in the UK and US in 2000.

MANAGING AGENT'S REPORT
SYNDICATE GENERAL MEETING

In accordance with the recent change in the Byelaws, an application has been made to the Council of Lloyd's to waive the requirement for having a Syndicate General Meeting as it is intended to re-appoint Mazars Neville Russell as auditors. As there is no other business to consider at the meeting, no Annual General Meeting of the Syndicate will be held.

1999 UNDERWRITING ACCOUNT - 24 MONTH FORECAST	£'000
Allocated capacity	94,699
1999 open year of account balance as at 31 December 2000	105,652
Estimated future liabilities and underwriting accruals for the 1999 year of account as at 31 December 2000	(108,790)
Estimated movement of non-underwriting items during 2001	6,610
Estimate of profit before personal expenses for the 1999 year of account after 36 months	3,472
Estimate of standard personal expenses including profit commission	(2,131)
Estimate of profit after personal expenses for the 1999 year of account after 36 months	1,341
As a percentage of capacity	1.4%

The estimated range of results is therefore considered to be a result of (1.1%) to 3.9% before Members' Agents' fees.

The above forecast has been made on the basis of assumptions that are considered reasonable, bearing in mind the maturity of the 1999 account. The assumptions that have been made may, however, prove different to the eventual outcome and may therefore cause the final result to vary from this forecast. Particular assumptions included in the forecast are:

- 1 the assessment of the liabilities accepted in Reinsurance to Close received from the 1998 account does not vary substantially during the year;
- 2 the rate of exchange does not vary significantly from 31 December 2000 rates of US \$1.49 and Canadian \$2.24 to the £;
- 3 the 1999 account closes into the 2000 account at 31 December 2001;
- 4 the assessment of the liabilities for the 1999 account does not materially alter from the current estimates;
- 5 there will be no material reinsurance failures;
- 6 syndicate expenses, incurred in the calendar year 2001 to be charged to the 1999 year of account, will continue the pattern of previous years as refined by current budgets

MANAGING AGENT'S REPORT

FURTHER INFORMATION

Your attention is drawn to pages 37 to 41 of this document which provide further information relating to the Managing Agency.

By order of the Board

A R Manners

Director

15 March 2000

REPORT OF THE AUDITORS**TO THE MEMBERS OF SYNDICATE 623**

We have audited the Annual Report, set out on pages 15 to 36, which has been prepared in accordance with the Lloyd's Syndicate Accounting Rules and the accounting policies set out in note 2 to the Annual Report.

Respective Responsibilities of the Managing Agent and Auditors

As described on page 15, the Managing Agent is responsible for the preparation of the Annual Report. Our responsibilities, as independent auditors, are established by Lloyd's Bylaws, the Auditing Practices Board, and by our profession's ethical guidance.

We report to you our opinion as to whether the Annual Report gives a true and fair view of the result of any closed year and has been properly prepared in accordance with Lloyd's Syndicate Accounting Rules. We also report to you if, in our opinion, the Managing Agent's and underwriter's reports are not consistent with that Annual Report, if the Managing Agent has not kept proper accounting records in respect of the Syndicate, if the Managing Agent has not established and maintained the systems and procedures necessary to enable it to comply with the Disclosure of Interests requirements of the Lloyd's Syndicate Accounting Rules, if the Annual Report is not in agreement with the accounting records and if we have not received all the information and explanations we require for our audit.

We read the other information attached to the Annual Report and consider whether it is consistent with the audited Annual Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Annual Report.

Basis of Opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Annual Report is 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 Report.

Opinion

In our opinion, the Annual Report has been properly prepared in accordance with the Lloyd's Syndicate Accounting Rules and gives a true and fair view of the profit of the 1998 closed year of account.

MAZARS NEVILLE RUSSELL**Chartered Accountants and Registered Auditors****24 Bevis Marks****London****EC3A 7NR****16 March 2000**

STATEMENT OF MANAGING AGENT'S RESPONSIBILITIES**STATEMENT OF MANAGING AGENT'S RESPONSIBILITIES
at 31 December 2000**

The Syndicate Accounting Byelaw (No. 18 of 1994 as amended) requires the Managing Agent to prepare an Annual Report, personal accounts and syndicate MAPA accounts for each syndicate managed by it at 31 December each year.

The Managing Agent must prepare the Annual Report, personal accounts and syndicate MAPA accounts in accordance with the Lloyd's Syndicate Accounting Rules, so as to ensure that the net result shown in each underwriting member's personal account and each syndicate MAPA account has been calculated in accordance with the applicable Agency Agreements and, where a year of account closes, so as to give a true and fair view of the closed year result.

In preparing the Annual Report, personal accounts and syndicate MAPA accounts the Managing Agent is required to:

- (a) 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 syndicate affected. In particular, the amount charged by way of premium in respect of the reinsurance to close shall, where the reinsuring members and reinsured members are members of the same syndicate for different years of account, be equitable as between them, having regard to the nature and amount of the liabilities reinsured;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) 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 date of receipt or payment; and
- (d) follow applicable accounting standards, subject to any material departures disclosed and explained in the Annual Report.

The Managing Agent is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Syndicate and to enable it to ensure that the Annual Reports, personal accounts and syndicate MAPA accounts comply with the Lloyd's Syndicate Accounting Rules. It is also responsible for safeguarding the assets of the Syndicate and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

UNDERWRITING FIGURES

**1998 UNDERWRITING ACCOUNT CLOSED AFTER THREE YEARS
at 31 December 2000**

	Notes	1998 account		1997
		after 2 years	change in calendar year	after 3 years
		£'000	£'000	£'000
Syndicate allocated capacity		94,690		89,874
Gross premiums written (net of brokerage)		74,579	9,026	64,721
Outward reinsurance premiums		23,794	3,222	20,232
Net premiums		50,785	5,804	44,489
Reinsurance to close premiums received from earlier years of account	3	59,715	2,840	52,119
		110,500	8,644	96,608
Gross claims paid		31,643	32,261	43,562
Reinsurers' share		9,390	8,785	11,003
Net claims		22,253	23,476	32,559
Reinsurance premium paid to close the year of account	4	—	71,356	59,715
		22,253	94,832	92,274
Balance on technical account before profit on exchange and syndicate operating expenses		88,247	(86,188)	4,334
Profit on exchange		7	20	187
Syndicate operating expenses	5	(5,380)	(136)	(5,369)
Balance on technical account	6	82,874	(86,304)	(848)
Investment income	7	1,053	4,619	4,390
Investment expenses and charges		(23)	(106)	(99)
Investment gains less losses		(159)	436	(421)
Profit for the closed year of account	13	83,745	(81,355)	3,022

The notes on pages 20 to 35 form part of these accounts.

UNDERWRITING FIGURES

**1999 YEAR OF ACCOUNT AFTER TWO YEARS
at 31 December 2000**

	Notes	1999 account		1998
		after 1 year	change in calendar year	account after 2 years
		£'000	£'000	£'000
Syndicate allocated capacity		94,699		94,699
Gross premiums written (net of brokerage)		60,555	49,682	74,579
Outward reinsurance premiums		25,796	16,312	23,794
Net premiums		34,759	33,370	50,785
Reinsurance to close premiums received from earlier years of account	4	—	71,356	59,715
		34,759	104,726	110,500
Gross claims paid		8,280	36,832	31,643
Reinsurers' share		2,407	11,302	9,390
Net claims		5,873	25,530	22,253
Balance on technical account before (loss)/ profit on exchange and syndicate operating expenses		28,886	79,196	88,247
(Loss)/profit on exchange		—	(64)	7
Syndicate operating expenses	5	(4,971)	19	(5,380)
Balance on technical account		23,915	79,151	82,874
Investment income	7	300	2,101	1,053
Investment expenses and charges		(2)	(14)	(23)
Investment gains less losses		(49)	250	(159)
Balance on open year	14	24,164	81,488	83,745

The notes on pages 20 to 35 form part of these accounts.

UNDERWRITING FIGURES
**2000 YEAR OF ACCOUNT AFTER ONE YEAR
at 31 December 2000**

	Notes	2000 account after 1 year	1999 account after 1 year
		£'000	£'000
Syndicate allocated capacity		125,186	94,699
Gross premiums written (net of brokerage)		78,624	60,555
Outward reinsurance premiums		37,254	25,796
Net premiums		41,370	34,759
Gross claims paid		6,755	8,280
Reinsurers' share		1,152	2,407
Net claims		5,603	5,873
Balance on technical account before loss on exchange and syndicate operating expenses		35,767	28,886
Loss on exchange		(12)	—
Syndicate operating expenses	5	(5,303)	(4,971)
Balance on technical account		30,452	23,915
Investment income	7	468	300
Investment expenses and charges		—	(2)
Investment gains less losses		65	(49)
Balance on open year	14	30,985	24,164

The notes on pages 20 to 35 form part of these accounts.

BALANCE SHEET

BALANCE SHEET at 31 December 2000

	Notes	2000	1999
		£'000	£'000
ASSETS			
Financial investments	9	107,026	71,860
Deposits with ceding undertakings		96	86
Debtors	10	20,511	22,396
Other assets			
Cash at bank and in hand		12,955	5,761
Overseas deposits	11	18,638	14,773
Prepayments and accrued income	12	1,293	847
		<hr/>	<hr/>
TOTAL ASSETS		160,519	115,723
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
(Loss)/profit on 1998/(1997) year of account	13	(280)	461
Balance on 1999/(1998)	14	103,400	81,248
Balance on 2000/(1999)	14	28,033	21,905
Creditors	15	28,563	11,401
Accruals and deferred income		803	708
		<hr/>	<hr/>
TOTAL LIABILITIES		160,519	115,723
		<hr/> <hr/>	<hr/> <hr/>

The Annual Report was approved at a meeting of the Board of Directors and by the Active Underwriter on 15 March 2001.

A F Beazley)	Active Underwriter
)	
A R Manners)	Director - for and on behalf of Beazley Furlonge Limited

The notes on pages 20 to 35 form part of these accounts.

**NOTES TO THE ACCOUNTS
at 31 December 2000****1 BASIS OF PREPARATION OF THE ANNUAL REPORT**

The Annual Report, comprising the balance sheet, underwriting accounts, seven year summary, statement of disclosure of interests, statement of managing agent's responsibilities and these notes, is prepared in accordance with the Lloyd's Syndicate Accounting Rules.

2 ACCOUNTING POLICIES**a) Underwriting Transactions**

- i) Each account is normally kept open for three years and the underwriting result is ascertained at the end of the third year when the account is closed, normally by reinsurance into the following year of account.

The balances on the open accounts at the balance sheet date are subject to further transactions up to their respective dates of closure and, in particular, no provision is made for the estimated future liability of these accounts. These balances do not purport to give any indication of the likely profit or loss that may be determined when these accounts are closed.

- ii) The accounts include:

- a) Premiums less brokerage and discount (net of return premiums), claims, including internal and external claims settlement expenses, reinsurance premiums ceded and reinsurance recoveries as processed through the Lloyd's Policy Signing Office up to and including the balance sheet date.

From 1 January 1995 premiums have been allocated to a year of account on the basis of the date on which the policy incepts but no policy has been allocated to a year of account prior to 1995. Return premiums and claims are allocated to the year of account to which the related premiums are allocated.

The costs of reinsurance ceded are allocated to the appropriate year of account on bases, which reflect fairly the allocation of the underlying business being protected.

Salvages and reinsurance recoveries are allocated to the year of account to which the related claim was charged.

- b) In respect of all years, accruals of known reinsurance recoveries and any related reinsurance premiums.
- c) In respect of closing and running-off years, accruals of known additional and return premiums and reinsurance premiums.
- iii) An amount to meet all known and unknown outstanding liabilities is required to be calculated for all years of account at the end of the third or subsequent year. This sum will form the basis of the reinsurance to close if the year is closing, or if the year is running-off, the amount retained by that year to meet all known and unknown outstanding liabilities.

NOTES TO THE ACCOUNTS

A reinsurance to close is a contract of insurance which, in return for a premium paid by the closing year of account, transfers normally to the following year of account, any liability arising out of transactions connected with insurance business underwritten by the closing year and previous years from 1993 onwards.

The premium for the reinsurance to close is calculated by the Active Underwriter based on the latest loss information available at the time of making such calculation.

The calculation allows for the estimated net cost of claims which may have been incurred but not yet reported; such allowance is established by the Active Underwriter exercising his judgement aided by statistical projections based on the history of past claim settlements and by reference to case by case reviews of notified losses.

The calculation includes estimates as set out above, for known outstanding claims, claims which may have been incurred but not reported and potential reinsurance recoveries. The uncertainties which are inherent in the process of estimating are such that, in the normal course of events, unforeseen or unexpected future developments may cause the ultimate cost of settling the outstanding liabilities to differ from that presently estimated.

Credit is taken for any reinsurance recoveries that are presently estimated to be recoverable and provision is made for estimated claims handling expenditure. No credit is taken for investment earnings which may be expected to arise in the future on the funds representing the reinsurance to close.

b) Investments

- i) Investments are stated at market value, including accrued interest at the balance sheet date.
- ii) The cost of investments held at 31 December is the aggregate of:
 - a) investments held at 1 January and 31 December at the previous balance sheet valuation; and
 - b) the cost of investments acquired during the year and held at the balance sheet date.
- iii) The investment return comprises income received and investment profits and losses net of investment expenses and charges arising in the calendar year including appreciation/depreciation and accrued interest consequent upon the revaluation of investments at 31 December.

The return is allocated between the underwriting accounts in proportion to the average balances on those accounts.

- iv) The calendar year investment yield is computed from the average amount of syndicate funds available for investment and aggregate investment return during the calendar year. The funds available for investment are calculated on a monthly basis and consist of all investments at opening value adjusted for cost of sales and purchases during the month, overseas deposits and bank balances, less any bank borrowings, at a consistent and representative point in the month. The aggregate investment return is the total amount of income and appreciation reported in these accounts, before taxation and apportionment to years of account, less any interest paid or payable on bank borrowings.

c) Overseas Deposits

Overseas deposits are stated at the market value ruling at the balance sheet date. The cost of investments held within these deposits is determined either on the same basis as for syndicate investments or on the basis of notification received from Lloyd's.

NOTES TO THE ACCOUNTS**d) Foreign Currency Translation and Conversion**

The Syndicate operates in three separate currency funds of sterling, United States dollars and Canadian dollars. Items expressed in United States and Canadian dollars are translated to sterling at the rates of exchange ruling at the balance sheet date. Items brought forward from the previous years are therefore revalued at those rates. The differences arising from this revaluation are included in the calendar year movements disclosed for each underwriting account heading.

Transactions during the year in other overseas currencies are expressed in sterling at the rates ruling at the transaction date.

Where United States dollars or Canadian dollars are sold for the closed Underwriting Account after 31 December, on account of the Syndicate and personal expenses paid in sterling, any profit or loss arising is reflected in the following closed Underwriting Account. Any profit or loss arising on the remaining Canadian dollar balance is reflected in the Underwriting Account into which the liabilities of that year have been reinsured. Any distributable United States dollar balance for the closed Underwriting Account, in accordance with Lloyd's requirements, is payable to the members. Consequently, any profit or loss arising after 31 December in respect of these amounts is the personal responsibility of the underwriting members of that closed year.

Where United States or Canadian dollars are bought or sold in respect of an open Underwriting Account after 31 December any profit or loss arising is reflected in the next underwriting account prepared for that open account.

The United States dollar and Canadian dollar exchange rates ruling at 31 December 2000 are US\$1.49 and C\$2.24 respectively (1999: US\$1.61, C\$2.34). The comparative figures are translated into sterling at the exchange rates ruling at 31 December 1999.

e) Taxation

Regulations issued under the authority of the Finance Act 1988, and which apply from Lloyd's 1988 year of account, no longer require Managing Agents to deduct basic rate income tax from trading income. Under the same regulations, all UK basic rate income tax deducted from syndicate investment income is recoverable by Managing Agents and, therefore, the distribution accounted to the Members Services Unit of the Corporation of Lloyd's on behalf of the underwriting members is gross of tax.

No provision is made on behalf of the members for United Kingdom income tax relating to either the net underwriting result or the investment income.

It is the personal responsibility of all members to agree and settle their United Kingdom taxation liabilities with the Inland Revenue.

Any United States and Canadian federal income tax as shown on the final assessment relative to each member will be charged to the member's consolidated personal account.

Managing Agents, however, remain responsible for payments on account of United States and Canadian federal income tax. Any on account payments made by the Syndicate have been included in the balance sheet under the heading of "other debtors".

It is the personal responsibility of members, resident in the United States or Canada to agree and settle their United States or Canadian taxation liabilities.

NOTES TO THE ACCOUNTS**f) Syndicate Operating Expenses**

Costs incurred jointly by the Managing Agent and the Syndicate for the provision of office staff and facilities have been apportioned on a basis of time involved and the degree of usage of facilities.

All syndicate expenses are allocated to the year of account for which they are incurred. Where expenses do not relate to any specific year of account they are apportioned between years of account on a basis which reflects the benefit obtained by each year of account for each type of expense.

The expenses of the open years of account are provisional and are not finalised until the accounts are closed.

g) Profit Related Remuneration

For the closed year of account, staff profit related remuneration is not charged to the Syndicate.

h) 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.

Under the requirements of Financial Reporting Standard 5 "Reporting the Substance of Transactions" (FRS5) issued by the Accounting Standard Board, individual assets and liabilities should not be offset unless certain specific criteria is met. Accordingly, balances with brokers are shown gross except where any rights of set-off are certain.

3 REINSURANCE RECEIVED FROM THE 1997 YEAR OF ACCOUNT

The net premium receivable differs from the reinsurance to close premium paid by the 1997 account due to movements in exchange rates.

NOTES TO THE ACCOUNTS

4 REINSURANCE PREMIUMS TO CLOSE THE 1998 YEAR OF ACCOUNT

	1998 account at 36 months	1997 account at 36 months
	£'000	£'000
Gross notified outstanding claims	58,720	40,315
Reinsurance recoveries anticipated	26,118	13,765
Net notified outstanding claims	32,602	26,550
Provision for gross claims incurred but not reported	55,971	43,760
Reinsurance recoveries anticipated	17,858	11,263
Provision for net claims incurred but not reported	38,113	32,497
Claims handling expense provision	641	668
Net premium for reinsurance to close	71,356	59,715

5 SYNDICATE OPERATING EXPENSES

	1998 account			1997 account
	after 2 years	change in calendar year	after 3 years	after 3 years
	£'000	£'000	£'000	£'000
Closed year of account after three years				
Salaries and related costs	2,320	18	2,338	2,237
Accommodation	444	(9)	435	525
IT & computer costs	776	54	830	563
Lloyd's processing costs	128	29	157	71
Overseas operating costs	381	(71)	310	370
Premium levy	812	114	926	715
Professional fees	123	4	127	247
Syndicate auditor's remuneration - audit	18	25	43	43
Other expenses	440	(24)	416	605
Commissions earned	(62)	(4)	(66)	(7)
	5,380	136	5,516	5,369

NOTES TO THE ACCOUNTS

5 SYNDICATE OPERATING EXPENSES (Continued)

	1999 account			1998
				account
	after 1 year	change in calendar year	after 2 years	after 2 years
Open year of account after two years	£'000	£'000	£'000	£'000
Salaries and related costs	2,543	123	2,666	2,320
Accommodation	372	7	379	444
IT & computer costs	640	111	751	776
Lloyd's processing costs	69	107	176	128
Overseas operating costs	151	349	500	381
Premium levy	601	610	1,211	812
Professional fees	116	38	154	123
Syndicate auditor's remuneration - audit	8	13	21	18
Other expenses	504	93	597	440
Commissions earned	(33)	(1,470)	(1,503)	(62)
	<u>4,971</u>	<u>(19)</u>	<u>4,952</u>	<u>5,380</u>

	2000 account after 1 year	1999 account after 1 year
Open year of account after one year	£'000	£'000
Salaries and related costs	2,949	2,543
Accommodation	417	372
IT & computer costs	643	640
Lloyd's processing costs	72	69
Overseas operating costs	160	151
Premium levy	799	601
Lloyd's regulatory levy	106	—
Professional fees	236	116
Syndicate auditors' remuneration - audit	14	8
Other expenses	595	504
Commissions earned	(688)	(33)
	<u>5,303</u>	<u>4,971</u>

NOTES TO THE ACCOUNTS

5 SYNDICATE OPERATING EXPENSES (Continued)

During the calendar year the aggregate amount of remuneration paid to and for the benefit of the Active Underwriter and charged as syndicate expenses was:

	2000	1999
	£'000	£'000
Salary	175	160
Pension contributions	30	27
	<u>205</u>	<u>187</u>

“Premium Levy” refers to an additional central levy on all members of Lloyd’s underwriting in 1997 and subsequent years of account. The levy is centrally set at 1.1% of gross premiums.

In accordance with the Syndicate Accounting (Amendment No. 7) Byelaw (No. 17 of 1998) certain syndicate operating expenses have been reclassified as internal claims settlement expenses. Expenses previously included under various headings within the syndicate operating expenses have now been included under gross claims paid.

For the 1999 and 2000 years of account accrued overider commissions of £1,388,216 and £636,882 previously included within outward reinsurance premiums recoveries are included within syndicate expenses in commissions earned.

6 BALANCE ON TECHNICAL ACCOUNT FOR THE CLOSED YEAR

	2000	1999
	£'000	£'000
Loss attributable to business allocated to the 1998 (1997) pure year of account	(2,307)	(710)
Profit attributable to business reinsured into the 1998 (1997) year of account	4,366	5,044
	<u>2,059</u>	<u>4,334</u>
Profit on exchange	27	187
Syndicate operating expenses	(5,516)	(5,369)
Balance on technical account	<u>(3,430)</u>	<u>(848)</u>

NOTES TO THE ACCOUNTS

7 INVESTMENT INCOME

	1998 account			1997 account
	after 2 years	change in calendar year	after 3 years	after 3 years
	£'000	£'000	£'000	£'000
Investment income receivable	943	4,483	5,426	4,070
Amounts receivable in respect of interest accrued on investments sold, purchased or revalued	110	136	246	320
	<u>1,053</u>	<u>4,619</u>	<u>5,672</u>	<u>4,390</u>
	1999 account			1998 account
	after 1 year	change in calendar year	after 2 years	after 2 years
	£'000	£'000	£'000	£'000
Investment income receivable	268	2,021	2,289	943
Amounts receivable in respect of interest accrued on investments sold, purchased or revalued	32	80	112	110
	<u>300</u>	<u>2,101</u>	<u>2,401</u>	<u>1,053</u>
	2000 account after 1 year		1999 account after 1 year	
	£'000		£'000	
Investment income receivable	453		268	
Amounts receivable in respect of interest accrued on investments sold, purchased or revalued	15		32	
	<u>468</u>		<u>300</u>	

NOTES TO THE ACCOUNTS

8 CALENDAR YEAR INVESTMENT YIELD

		2000	1999
		'000	'000
Average monthly syndicate funds:			
	£	17,275	7,870
	US\$	133,787	110,616
	Can\$	12,217	10,128
	All in £	112,519	80,904
Aggregate gross investment return for the calendar year:			
	£	1,190	529
	US\$	9,450	5,052
	Can\$	715	473
	All in £	7,852	3,868
Calendar year investment yield:			
	£	6.89%	6.72%
	US\$	7.06%	4.57%
	Can\$	5.86%	4.67%
	All in £	6.98%	4.78%

9 FINANCIAL INVESTMENTS

	2000		1999	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
Debt securities and other fixed income securities	<u>105,778</u>	<u>107,026</u>	<u>71,685</u>	<u>71,860</u>

NOTES TO THE ACCOUNTS

10 DEBTORS

	2000	1999
Amounts falling due within one year	£'000	£'000
Arising out of direct insurance operations	2,082	2,322
Arising out of reinsurance operations	14,408	11,648
Brokers' balances	16,490	13,970
Amount due from stockbrokers	—	1,331
Accrued profit commission	2,406	4,783
Amount due from Managing Agent	115	72
Other debtors	1,457	2,136
	<u>20,468</u>	<u>22,292</u>
Amounts falling due after one year		
Arising out of direct insurance operations	—	67
Arising out of reinsurance operations	1	20
Brokers' balances	1	87
Other debtors	42	17
	<u>43</u>	<u>104</u>
Total debtors	<u>20,511</u>	<u>22,396</u>

Provision for Bad Debts

A provision for bad debt of £157,726 has been charged in arriving at the balance on technical account for the 1998 year of account, £74,050 for the 1999 year of account and £14,109 for the 2000 year of account.

Accrued Profit Commission

The Syndicate entered into a whole account stop loss reinsurance contract for the 1996 year of account. Deposit premium of £3,538,870 has been paid as at 31 December 2000, based on the Syndicate's estimated Net Premium Income. The nature of the contract, in the opinion of the Active Underwriter, is not in substance that of an investment and accordingly the provisions of FRS5 have not been applied.

The contract, subject to its terms, conditions and limits, indemnifies the Syndicate for the ultimate net loss incurred within an overall limit above an excess point under all business attaching (whether signed or by virtue of inception date accounted) to the Syndicate's 1996 year of account.

As at the 60th month of the year of account (or annually thereafter) the year of account can be commuted on the basis of the net paid claims at that time. At the time of commutation, based on the level of net paid claims, profit commission may be receivable by the Syndicate. Should the Syndicate cancel the policy, a commutation premium may become payable.

It is expected that the 1996 year of account contract will be commuted and £2,406,432 has been accrued.

NOTES TO THE ACCOUNTS

11 OVERSEAS DEPOSITS

	2000	1999
	£'000	£'000
Illinois deposit	8,396	6,780
Kentucky deposit	212	159
South African deposits	1,411	1,309
Japanese deposits	39	476
Australian deposits	968	—
Joint Asset Trust Fund	5,642	4,059
Additional Securities Limited	1,970	1,990
	<u>18,638</u>	<u>14,773</u>

The deposit with Additional Securities Limited is interest bearing and is determined by reference to the Syndicate's premium income arising from business written in Switzerland, Singapore and certain other overseas countries and is required to enable the Syndicate to underwrite business arising in those countries.

The Illinois and Kentucky deposits are calculated by reference to the Syndicate's premium income and estimated exposure to outstanding liabilities arising from business written in the states of Illinois and Kentucky, USA and are required to enable the Syndicate to underwrite business arising in those states.

The Joint Asset Trust Funds are calculated by reference to the Syndicate's US dollar reinsurance and surplus lines premium income and is required to enable Names to write certain reinsurance and surplus lines business in the USA.

The Japanese deposits represent the statutory deposit required in Japan and a collateral account for letter of credit against liabilities arising from business underwritten in the country.

The South African deposits are represented by the Lloyd's South African Transitional Trust Deed (LSATTD) deposit of £676,352 (1999: £1,098,589) covering business underwritten in 1998 and prior years and the Lloyd's South African Trust Deed (LSATD) deposit of £734,584 (1999: £210,035) for 1999 and post business.

The Australian deposits are represented by the Lloyd's Australian Trust Fund deposit of £862,310 and the Lloyd's Australian Joint Asset Trust Fund deposit of £105,416. The Lloyd's Australian Trust Fund deposit is to enable the Syndicate to underwrite business arising in Australia and the contribution to the fund is calculated by reference to the premium income and estimated exposure to outstanding liabilities arising from business written in Australia. The Lloyd's Australian Joint Asset Trust Fund deposit is an interim fund for business written between 1993 and 1998 and is determined by reference to the Syndicate's 1998 and prior estimated net liabilities in Australia.

12 PREPAYMENTS AND ACCRUED INCOME

Included within prepayments and accrued income is an amount of £32,499 (1999 - £97,499) which relates to deferred computer expenditure. These costs are to be charged to the 2001 year of account.

NOTES TO THE ACCOUNTS

13 PROFIT OF 1998 (1997) CLOSED YEAR OF ACCOUNT

	2000	1999
	£'000	£'000
Closed year of account profit	2,390	3,022
Personal expenses	(2,152)	(1,797)
Profit commission	(149)	(292)
Members Agents fees - funded by Syndicate	(369)	(472)
	(280)	461

Closed year profit analysed by currency:

		2000	1999
		'000	'000
Sterling trust fund	£	(4,478)	(7,540)
US dollar trust funds	US\$	9,497	16,317
Canadian dollar trust fund	Can\$	1,106	999
All expressed in sterling	All in £	2,390	3,022

The sterling equivalent of the closed year profit expected to be distributed in currency is £2,389,679.

14 OPEN YEAR OF ACCOUNT BALANCES

	2000	1999
Open year of account after two years:	£'000	£'000
1999(1998) year of account balance	105,652	83,745
Personal expenses	(1,846)	(2,129)
Members Agents fees - funded by Syndicate	(406)	(368)
	103,400	81,248
Open year of account after one year:		
2000(1999) year of account balance	30,985	24,164
Personal expenses	(2,319)	(1,852)
Members Agents fees - funded by Syndicate	(633)	(407)
	28,033	21,905

NOTES TO THE ACCOUNTS

15 CREDITORS

	2000	1999
Amounts falling due within one year	£'000	£'000
Arising out of direct insurance operations	46	58
Arising out of reinsurance operations	18,913	11,025
Brokers' balances	18,959	11,083
Profit commission payable	149	292
Amount due to Stockbrokers	9,438	—
Other creditors	17	6
	<u>28,563</u>	<u>11,381</u>
Amounts falling due after one year		
Arising out of reinsurance operations	—	20
Total creditors	<u>28,563</u>	<u>11,401</u>

There have been no material borrowings in the year.

16 RATES OF EXCHANGE FOR TRANSLATION INTO STERLING

Rates ruling at 31 December	2000	1999
United States dollars	1.49	1.61
Canadian dollars	2.24	2.34

17 ILLUSTRATIVE SHARES

The Syndicate allocated capacity for the following underwriting years equate to the following per centage participations for a Name with an illustrative £10,000 share:

Year of Account	Syndicate allocated capacity	Illustrative £10,000 share
	£'000	%
2000	125,186	0.007988
1999	94,699	0.010560
1998	94,690	0.010561

18 DISCLOSURE OF INTERESTS

Certain directors of Beazley Furlonge Limited had a beneficial interest in 10% of ordinary share capital of Netsoft Solutions Limited until June 1999. This company provided computer consultancy services to the Syndicate until early 1999.

The Syndicate paid Alliance Capital Whittingdale Limited £110,933 in 2000 (1999 - £80,314) in respect of the investment services provided. George Blunden, a director of Beazley Furlonge Limited, is an executive director of Alliance Capital Whittingdale Limited.

There are no further interests to be disclosed in accordance with the requirements of the Syndicate Accounting Byelaw (No. 18 of 1994).

19 CONSORTIUM UNDERWRITING

The Syndicate participated in the following consortiums during the period under review:

a) Medical Expense Consortium

Syndicate 623 participated in the medical expense consortium for the 1998 and 1999 years of account, led by Syndicate 362, Harvey-Bowring, which writes medical expenses business principally emanating from the USA.

The risks were allocated in accordance with an agreed percentage allocation. No fees or commissions have been received or are receivable in respect of this participation.

b) Swiss Consortium

Syndicate 623 leads the Swiss Consortium which writes property and personal accident business through a number of binding authorities in Switzerland.

The risks were allocated in accordance with an agreed percentage allocation. Beazley Furlonge Limited recharged expenses amounting to £119,555 during 2000 (1999 - £113,038) to other consortium members. No fees or commissions have been received or are receivable in respect of this participation.

c) Marine*Marham Satellite Consortium*

Syndicate 623 supported the Marham consortium lead by Simon Clapham of Wren Syndicate 800 for the 1999 year of account. The consortium covers a worldwide portfolio of satellite launch and life risks emanating mainly from the USA, France and Russia.

The risks are allocated in accordance with an agreed percentage allocation. The Syndicate was charged management fees of £130,000 by Marham and technical survey fees of £25,188 during 1999.

CLM Marine Liability Consortium

With effect from 1 May 1999, Syndicate 623 participates on the marine liability consortium lead by Robert Forster of CLM, Syndicate 575. The consortium writes a broad book of marine third party liabilities. The geographical spread is worldwide excluding purely USA domiciled business concentrating on the UK and continental Europe.

The risks are allocated in accordance with an agreed percentage allocation. The consortium is subject to a management fee of 12% of net premium.

NOTES TO THE ACCOUNTS

19 CONSORTIUM UNDERWRITING (Continued)

The premiums accepted by the Syndicate for the above consortiums contributed the following as a percentage of total premium income:

	1998 at 36 mths	1999 at 24 mths	2000 at 12 mths
	%	%	%
Medical Expenses Consortium	1.0%	0.4%	—
Swiss Consortium	1.0%	0.7%	0.8%
Marine Satellite Consortium	—	2.0%	—
Marine CLM Liability Consortium	—	0.3%	0.3%

20 SERVICE COMPANIES

The Managing Agency holds a 20.8% equity interest on behalf of the Syndicate in Asia Pacific Underwriting Agency Limited (APUA) which writes E&O, D&O and fidelity business in Hong Kong and the Far East.

The premiums accepted by the Syndicate from APUA contributed the following as a percentage of total premium income:

	1998 at 36 mths	1999 at 24 mths	2000 at 12 mths
	%	%	%
Premium Income	0.1%	—	—

21 SEGMENTAL INFORMATION

	Direct business			Reinsurance acceptance		Total	
	Notes	Fire & other damage to property	Third party liability	Other	Fire & other damage to property		Other reinsurance
1998 closed year of account after three years		£'000	£'000	£'000	£'000	£'000	£'000
Business in respect of risks located in:							
United Kingdom		4,264	5,688	3,703	695	19	14,369
Other EC member states		2,040	2,722	1,772	377	10	6,921
Other countries		16,621	22,172	14,433	8,852	237	62,315
Gross premiums written	1	22,925	30,582	19,908	9,924	266	83,605
Gross claims paid		22,182	19,715	17,054	4,759	194	63,904
Gross operating expenses	2	1,513	2,017	1,313	655	18	5,516
Reinsurance balance	3	276	(4,561)	(2,724)	(1,718)	(114)	(8,841)
Average rate of commission and brokerage		22%	21%	18%	14%	17%	19%

NOTES TO THE ACCOUNTS

21 SEGMENTAL INFORMATION (Continued)

	Direct business			Reinsurance acceptance		Total	
	Notes	Fire & other damage to property	Third party liability	Other	Fire & other damage to property		Other reinsurance
1999 open year of account after two years		£'000	£'000	£'000	£'000	£'000	£'000
Business in respect of risks located in:							
United Kingdom		5,465	6,705	4,929	907	34	18,040
Other EC member states		2,902	3,561	2,618	526	20	9,627
Other countries		22,507	27,614	20,299	11,715	435	82,570
Gross premiums written	1	30,874	37,880	27,846	13,148	489	110,237
Gross claims paid		21,936	2,354	17,316	3,484	22	45,112
Gross operating expenses	2	1,776	2,179	1,601	756	28	6,340
Reinsurance balance	3	(7,659)	(10,345)	(3,703)	(1,634)	(5,058)	(28,399)
Average rate of commission and brokerage		21%	16%	21%	10%	14%	19%

	Direct business			Reinsurance acceptance		Total	
	Notes	Fire & other damage to property	Third party liability	Other	Fire & other damage to property		Other reinsurance
2000 open year of account after one year		£'000	£'000	£'000	£'000	£'000	£'000
Business in respect of risks located in:							
United Kingdom		5,532	4,099	2,836	1,480	43	13,990
Other EC member states		2,251	1,668	1,154	374	11	5,458
Other countries		19,334	14,328	9,914	15,162	438	59,176
Gross premiums written	1	27,117	20,095	13,904	17,016	492	78,624
Gross claims paid		2,363	808	2,929	652	3	6,755
Gross operating expenses	2	2,049	1,518	1,050	1,286	37	5,940
Reinsurance balance	3	(16,189)	(9,069)	(6,043)	(1,268)	(3,533)	(36,102)
Average rate of commission and brokerage		19%	19%	18%	24%	13%	19%

Notes:

1. Gross premiums written have been analysed by reference to the situs of the risk.
2. Gross operating expenses have been allocated to class groups in proportion to their respective gross premium incomes.
3. The reinsurance balance comprises reinsurance recoveries received less outward reinsurance premiums paid.

SEVEN YEAR SUMMARY

**SEVEN YEAR SUMMARY OF CLOSED YEAR RESULTS
at 31 December 2000**

	1998	1997	1996	1995	1994	1993	1992
Syndicate allocated capacity - £000's	94,690	89,874	90,013	91,654	92,317	63,218	36,262
Capacity utilised	88%	72%	71%	78%	65%	87%	92%
Number of underwriting members	830	958	978	1,076	1,196	2,393	1,302
Aggregate net premiums - £000's	56,589	44,489	44,062	48,315	40,222	37,233	19,948
Net capacity utilised	60%	50%	49%	53%	44%	59%	55%
Underwriting profit as a percentage of gross premiums	2.5%	6.7%	6.9%	17.0%	18.0%	29.5%	5.7%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Results for an illustrative £10,000 share	£	£	£	£	£	£	£
Gross premiums	8,829	7,201	7,135	7,785	6,500	8,653	9,158
Net premiums	5,976	4,950	4,895	5,271	4,357	5,890	5,501
Reinsurance to close from an earlier account	6,606	5,799	4,218	2,632	1,303	4,172	6,770
Net claims	(4,829)	(3,623)	(2,950)	(2,524)	(1,924)	(3,315)	(4,517)
Reinsurance to close the year of account	(7,536)	(6,644)	(5,674)	(4,162)	(2,564)	(2,006)	(7,235)
Premium payable to Equitas	-	-	-	-	-	(2,190)	-
Underwriting profit	217	482	489	1,217	1,172	2,551	519
Profit/(loss) on exchange	3	21	2	9	20	40	(12)
Syndicate operating expenses	(582)	(597)	(478)	(414)	(391)	(469)	(513)
Balance on technical account	(362)	(94)	13	812	801	2,122	(6)
Gross investment return	614	430	505	504	334	556	405
Profit before personal expenses	252	336	518	1,316	1,135	2,678	399
Illustrative personal expenses							
Illustrative personal expenses	(224)	(199)	(179)	(353)	(350)	(342)	(336)
Managing agent's profit commission	(16)	(32)	(51)	(134)	(110)	(352)	-
Profit after illustrative profit commission and personal expenses	12	105	288	829	675	1,984	63
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes:

1. The illustrative profit commission and personal expenses are estimates of amounts which might be charged on an illustrative share of £10,000. The agency agreements for 1991 and subsequent years of account only provide for the deduction of fees and profit commission on behalf of the Managing Agent.
2. The effect of any minimum charges on personal expenses or deficit clauses on profit commission have been ignored.
3. The illustrative personal expenses for the 1992 Accounts include the special central fund levy of 1.66% of the capacity. The special contribution to the central fund for the 1993, 1994 and 1995 account has also been included.
4. For the 1996 and 1997 years of account, internal claims settlement expenses have been included in "net claims". For 1995 and prior years of accounts, claims settlement costs are included in "syndicate operating expenses" as the directors do not have sufficient information to make a reasonable estimate of the amounts to be reclassified.

MANAGING AGENT – ADDITIONAL INFORMATION

DIRECTORS

The directors of Beazley Furlonge Limited during the period covered by this Annual Report and their direct participations on Syndicate 623 were as follows:

	1998	1999	2000	2001
	£	£	£	£
A F Beazley	160,345	–	–	1,000,000
N H Furlonge	180,826	–	–	–
J G Gray	–	–	–	–
N P Maidment	52,750	–	–	–
A R Manners	–	–	–	375,000
J G Rowell	50,000	–	–	1,000,000
G P Blunden	–	–	–	–
J D Sargent	94,950	94,950	–	600,000
K J McHugh (resigned 13 March)	–	–	–	–
T F Sullivan (resigned 15 March)	–	–	–	–

For the 1998 and 1999 years of the account the direct participations were on a unlimited liability basis. For the 2001 year of account the participation changed to a limited liability basis.

A R Manners, G P Blunden, K J McHugh and T F Sullivan are Annual Subscribers.

None of the directors has a personal stop loss policy relating to the years 1998 to 2001.

All directors participate on the Syndicate on a limited liability basis through their direct or indirect shareholdings in Beazley Furlonge Limited which has an interest in Beazley Dedicated Limited.

Indirect limited liability participation	1998	1999	2000	2001
	£	£	£	£
Joseph D Sargent (Non-Executive Chairman)	27,330	27,783	55,956	36,693
Andrew F Beazley (Active Underwriter)	753,796	766,479	1,174,025	1,012,028
Nicholas H Furlonge (Deputy Underwriter)	274,107	278,664	561,203	368,009
George P Blunden (Non-Executive)	8,223	8,360	16,835	11,004
Jonathan G Gray	376,820	383,083	771,497	505,909
Neil P Maidment	328,929	334,397	673,445	441,612
Arthur R Manners	109,644	111,466	224,484	147,205
Johnny G Rowell	465,984	473,729	954,049	625,618

The above directors who participate on the Syndicate on an indirect limited liability basis do so through their fully diluted beneficial shareholdings in Beazley Furlonge Group Limited which has an interest in Beazley Dedicated Limited.

MANAGING AGENT – ADDITIONAL INFORMATION

Joseph Sargent was, until 1992, Chairman and Chief Executive of Conning & Company, a US investment firm specialising in the insurance industry where he worked for over 40 years. He developed and actively led the firm's insurance consulting practice and more recently he has been closely involved with the development of four major insurance entities.

George Blunden is a Director of Alliance Capital Whittingdale Limited and previously was Chief Executive of Union Plc.

Tom Sullivan and Kevin McHugh are Directors of Specialty 004 Limited and Specialty 005 Limited, investment companies of Aon Specialty Group Limited and the other strategic partners.

Active Underwriter

Andrew F Beazley is the active underwriter of the Syndicate and his line on the 1998 underwriting year of account is set out above. It represents 17% of his overall premium limit. For the 1999 and 2000 years of account, Andrew Beazley resigned his membership of Lloyd's. For the 2001 year of account he recommenced underwriting through a "NameCo" on a limited liability basis.

Related Parties Bylaw*Thomas F Sullivan*

T F Sullivan was a Non-Executive Director of Kingsmead Underwriting Agency Limited (KUAL) until 16th November 2000, he continues to be a Non-Executive Director of SVB Holdings Plc (parent company of SVB Syndicates Limited (SVB), Jago Capital Limited (JCL) and Jago Managing Agency Limited (JMAL). He was appointed Chairman of JCL from June 2000. Any business transacted between the Syndicate and any syndicate managed by KUAL, SVB and JMAL was conducted on an arm's length basis and at normal commercial terms. T F Sullivan resigned from the board of Beazley Furlonge Limited on 15 March 2001.

Kevin J McHugh

K J McHugh is a Non-Executive Director of SVB Syndicates Limited and SVB Finance Limited and was the Non-Executive Chairman of Jago Capital Limited (JCL) and Jago Dedicated Limited and a Non-Executive Director of Jago Managing Agency Limited (JMAL) until 30th June 2000 when he resigned from JCL and JMAL. Business transacted between the syndicate managed by Beazley Furlonge Limited and any syndicate on which JCL has underwritten, or any Syndicate managed by SVB, was conducted on an arm's length basis and at normal commercial terms. K J McHugh resigned from the board of Beazley Furlonge Limited on 13 March 2001.

Aon Corporation

In June 1997, a subsidiary of Aon Corporation was the lead investor in the acquisition of a minority interest in Beazley Furlonge Holdings Limited, the parent company of Beazley Furlonge Limited. In the year ended 31 December 2000 the group companies of Aon Corporation placed premiums of £27.6m (1999: £15.9m) with Syndicate 623. Any business conducted between Syndicate 623 and Aon Corporation was conducted on an arm's length basis and at normal commercial terms.

Other Interests

It is envisaged that the equity interests held by Aon in Beazley Furlonge Holdings Limited will be purchased by Beazley Furlonge Group Limited, the proposed new holding company for the Beazley Group that will be wholly owned by the directors and staff.

The agency has taken shareholdings in businesses in order to provide and maintain underwriting opportunities for Syndicate 623. The shares of the companies are held in trust for the benefit of the Syndicate's Names from time to time participating in the underwriting. The costs associated with such projects have or will be charged to the Syndicate whilst in turn any income or profits accruing are credited to the Syndicate.

MANAGING AGENT – ADDITIONAL INFORMATION

The details are:

Enam Management Company, Inc.

On 7 January 1992 Beazley Furlonge Limited acquired one share in a non-profit making company incorporated in the USA known as Enam Management Company, Inc. The company is owned 75% by Lloyd's Managing Agents and 25% by R K Carvill (International Holdings) Limited. Enam Management Companies, Inc. is not involved in any form of risk carrying and is a vehicle designed to bring together markets which may be interested in specialty programmes. It has the object of bringing additional business into Lloyd's by reducing the acquisition costs.

APUA

Beazley Furlonge Limited holds 75,000 shares representing a 20.8% equity interest in Asia Pacific Underwriting Agency Limited (APUA). APUA is incorporated in Hong Kong and was established to assist in accessing business in Hong Kong and the Far East. A F Beazley and N P Maidment are executive directors of APUA and neither received any remuneration nor other benefit for acting as a director of APUA.

Excaliber

The agency holds a 33 1/3% interest in the trademark "Excaliber". This trademark is used for the marketing of certain insurance policies through Lloyd's brokers.

Stock Lending

No premium trust fund investments were lent pursuant to any stock lending arrangements.

Syndicate Expenses

The policy of Beazley Furlonge Limited as regards the charging of syndicate expenses complies with the Code of Practice for Underwriting Agencies approved by the Council of Lloyd's.

United Kingdom Income Tax

Names are responsible for making any necessary payments of Income Tax based on their overall underwriting profit for all their syndicates. The results that are reported in these accounts are therefore shown gross of income tax.

Errors and Omissions Insurance

Beazley Furlonge Limited has held an errors and omissions policy since the 14 October 1998 with a limit of indemnity of £5m. This Policy was renewed on 14 October 2000.

Syndicate Allocated Capacity

The Syndicate allocated capacity for the 2001 year of account is £215,686,081.

No agent provided capacity to the Syndicate in excess of 20% for the 1999 year of account. Hampden Underwriting Agency Limited provided 30% of the capacity for the 2001 year of account and 24.7% for the 2000 year of the account.

Reinsurance Resumés

Reinsurance resumés have been approved by the Board and are available for inspection at One Aldgate, London EC3N 1AA.

MANAGING AGENT - ADDITIONAL INFORMATION**Sub-contracted Functions**

The directors have sub-contracted the following functions during the period covered by this report.

- | | |
|--|---------------------------------------|
| i) Administrative and accounting functions | Hampden Underwriting Services Limited |
| ii) Management of investments | Alliance Capital Whittingdale Limited |
| iii) Data entry | Lambourn Insurance Services Limited |
| iv) Network support | W&W Consulting Limited |

Accounting Records

The accounting records of the Syndicate are held at Beazley Furlonge Limited, One Aldgate, London EC3N 1AA and at Hampden Underwriting Services Limited, Maritime House, 1 Linton Road, Barking, Essex IG11 8GW.

Syndicate Auditors

Mazars Neville Russell are the Syndicate auditors for the 2000 Annual Report and it is intended that they are re-appointed for the 2001 audit.

MANAGING AGENT - ADDITIONAL INFORMATION

MANAGING AGENT – KEY FINANCIAL INFORMATION

	2000	1999	1998	1997	1996
	£'000	£'000	£'000	£'000	£'000
Gross capacity managed	125,186	94,699	94,690	89,874	90,013
Income:					
Managing Agent's fees	752	569	472	450	450
Profit commission	292	458	1,223	564	1,221
Total fees from the managed Syndicate	1,044	1,027	1,695	1,014	1,671
Other	97	74	39	31	25
	1,141	1,101	1,734	1,045	1,696
Total agency expenses	4,652	4,067	4,259	3,434	5,033
Less: expenses recharged to the Syndicate	(3,848)	(3,280)	(3,126)	(2,836)	(4,040)
	804	787	1,133	598	993
Profit before taxation	337	314	601	447	703
Profit margin before profit commission and related expenses	23.8%	18.9%	6.9%	6.1%	6.6%
Total operating expenses as a percentage of total managed capacity	3.7%	4.3%	4.5%	3.8%	5.6%
Total employment costs incurred	3,709	3,097	2,703	2,523	2,863
Less: amounts recharged to the managed Syndicate	(3,482)	(2,898)	(2,465)	(2,313)	(2,137)
Employment costs retained by the Managing Agent	227	199	238	210	726
Net assets of the Managing Agency	735	606	434	427	334

MANAGING AGENT – KEY FINANCIAL INFORMATION**Syndicate performance**

	1998	1997	1996	1995
	£'000	£'000	£'000	£'000
Profit before personal expenses attributable to:				
Working Members employed by				
Beazley Furlonge Limited	24	30	47	121
Other working Members	96	241	420	1,207
External Members	1,099	1,964	3,268	8,812
Corporate Members	1,171	787	934	1,931
	<u>2,390</u>	<u>3,022</u>	<u>4,669</u>	<u>12,071</u>

	2001	2000	1999	1998
	%	%	%	%
Syndicate allocated capacity attributable to:				
Working Members employed by				
Beazley Furlonge Limited	3	4	1	1
Other working Members	3	3	4	4
External Members	40	38	41	46
Corporate Members	54	55	54	49
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

