

6th May 1999

THREE MONTHS RESULTS 1999

	1999	1998
Revenue		
General business net premiums written	£1,795m	£1,774m
Long term business net premiums written	£746m	£643m
Earnings		
Group operating profit (based on longer term investment return)	£145m	£198m
Operating earnings per ordinary share	5.4p	8.1p
Balance Sheet at 31 March / 31 December		
Shareholders' funds	£7,402m	£7,269m
Net asset value per share (adding back equalisation provisions)	480p	472p

Note : 1998 profit is stated before including the premium on the convertible bond buy back

For further information :

Malcolm Gilbert, +44 (0) 171 569 6138
Director Communications

Roy Randall, +44 (0) 171 569 6139
Director Investor Relations

Bob Mendelsohn, Group Chief Executive, commented:-

“The result in the first quarter 1999, although better than the second half of 1998, indicates the continuing difficult markets worldwide, particularly in commercial business, although limited signs of rate improvements are evident. In personal lines however, the price firming which was apparent in the second half of last year has continued and in some cases accelerated in 1999.

MARKET CONDITIONS

“The downward pressure on rates in commercial business worldwide during 1998 and high levels of large losses in many countries, continued to affect results into 1999. We maintain our disciplined approach to underwriting and continue to press for price increases. In the UK, the decline in commercial prices has continued to slow, with signs of increases in some areas. In particular, commercial motor in the UK regions is experiencing a 15% increase on average with London Market increases slightly lower. In the US there are the first indications of price firming.

“In personal lines business, rates are firmer in a number of areas. In Motor business there were strong increases in Australia, Spain and Italy and an average of 12% increase in the UK. Household price increases have been applied in the USA and Australia but we would generally characterise worldwide prices as flat.

“Our life, pensions and investment businesses had a strong quarter with the new long term premiums on an Annual Premium Equivalent basis up 22% and investment product sales up 39%.

WE CONTINUE TO RESHAPE THE GROUP

“We have announced today that we have received over 90% acceptances for our bid for Tyndall in Australia. The offer now becomes unconditional. This acquisition will greatly strengthen our Life & Pensions business in the Australian market.

“On 9 March we announced the sale for £392m of property assets to Moorfield Capital Partnerships. The deal was completed on 30 April. This is part of our longer term strategy to reshape our asset portfolio, changing the balance of the risk profile.

“In Eastern Europe we have taken a majority interest in a small Polish life assurance company, PKB Zycie. Poland is seen as a key market for the development of the central European region.

RETURN ON CAPITAL AS A PERFORMANCE MEASURE EMBEDDED THROUGHOUT DIVISIONS

“The process of introducing procedures to enable return on risk weighted capital to be used as a performance measure is well underway. In addition, the approach is being applied to individual lines of business within regions. Performance related benefits will be harmonised with ROC targets.

DIVISIONAL BUSINESS REVIEWS MAKE PROGRESS

“Throughout the Group, reviews of the businesses and their structures and processes continue. In the UK, simplified management structures have already been announced in the Commercial and Personal Financial Services divisions. Creation of the detailed structure plans is in hand and following consultation with interested parties, we will announce details of progress at the half year results meeting.”

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

PROFIT BEFORE TAX

	1999 £m	1998 £m
Net premiums written		
General business	1,795	1,774
Long term business	746	643
Group operating profit (based on longer term investment return)	145	198
Other movements in investments	63	744
Change in the equalisation provisions	6	(16)
Other items		
Premium on convertible bond buy back	-	(138)
Profit on ordinary activities before tax	214	788

- ✱ General business premiums were flat in local currency terms, in part due to commercial business lost through our firm underwriting stance.
- ✱ Long term business premiums rose 15% in local currencies.
- ✱ Net asset value per share after adjusting for the equalisation provisions was 480p (31 December 1998 472p). On 3 May 1999 the estimated value was 498p.
- ✱ The return on risk based capital analysis as presented at the year end emphasised that well established performance measures such as combined (operating) ratios are integral to the approach. Accordingly, for intermediate quarters, where an annual return on capital is inappropriate as a measure, operating ratios are adopted.

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

EUROPE GENERAL BUSINESS

Europe - United Kingdom

	1999 £m	1998 £m
Net premiums written	811	857
Underwriting result	(91)	(65)
General business operating profit (based on longer term investment return)	34	59

- * Premiums written reduced overall by 5%. In commercial business most lines contributed to the fall of 16% due to our firm underwriting stance and attitude to potential exposures to Year 2000 risks. Personal lines premium volume rose by 8% helped by new product initiatives.
- * In personal lines the improvement in household, due to lower subsidence losses, was offset by a worsening in the motor result where there was an increase in the average cost of claims. Whilst rates for household remain static, motor prices have risen by 12%.
- * Commercial property and casualty continues to be adversely affected by large claims, although to a somewhat lesser extent than the second half of last year. The decline in prices has continued to slow with early signs of increases in some areas of the market.
- * Commercial motor rates continue to firm with an increase of 15% being obtained. The result has yet to respond to the remedial action and remains unsatisfactory.

Other Europe

	1999 £m	1998 Adjusted £m	1998 Original £m
Net premiums written	436	416	395
Underwriting result	(32)	(35)	(36)
General business operating profit (based on longer term investment return)	17		5

- * Premiums written rose by 5% in local currencies with most countries contributing to the increase.
- * The result for Scandinavia continued to show improvement with generally better experience in all lines of business.
- * The German result has benefitted from the disposal of the direct marketing operations.
- * Whilst there has been a lessening in the trend of large fire losses in Ireland this has been offset by continuing competitive market conditions.
- * In both Spain and Italy, where the remedial pricing and underwriting action taken in the motor business has yet to flow through to the results, the underwriting loss was at a similar level to last year.
- * The overall result for the region showed an improvement on the comparable period last year.

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

AMERICAS GENERAL BUSINESS

United States

	1999 £m	1998 Adjusted £m	1998 Original £m
Net premiums written	231	220	212
Underwriting result	(29)	(10)	(9)
General business operating profit (based on longer term investment return)	20		45

- Premiums written increased by 5% in local currency terms continuing the underlying growth seen throughout 1998. The market remains very competitive with household the only line of business to show price increases.
- Compared with the first quarter last year weather losses doubled with the increased cost adding 3.5 percentage points to the combined ratio.
- The commercial property accounts were also adversely affected by an increase in the cost of large losses. In the other commercial lines improvements in motor and liability offset a worsening in workers' compensation.
- Whilst the household result was affected by increased weather losses an improvement in motor enabled personal lines overall to produce an underwriting profit.

Canada

	1999 £m	1998 Adjusted £m	1998 Original £m
Net premiums written	102	97	99
Underwriting result	(15)	(13)	(14)
General business operating profit (based on longer term investment return)	(1)		-

- Premiums written increased by 5% in local currency terms. Personal lines premiums rose by 11% accounted for by an increase in exposures from product development and the acquisition of portfolios following the industry consolidation in late 1998. Commercial lines premiums reduced by 2% reflecting the competitive market conditions and our firm underwriting stance.
- Personal lines produced a similar sized underwriting loss with an improvement in household offsetting a reduced but still satisfactory profit in motor.
- Whilst the overall result benefitted from the lower level of weather losses compared to the first quarter last year, the severe January snowstorms caused a number of large commercial property losses. Together with an increase in large liability claims, these factors accounted for the small worsening in the result.

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

AMERICAS GENERAL BUSINESS

Latin America / Caribbean

	1999 £m	1998 Adjusted £m	1998 Original £m
Net premiums written	43	42	42
Underwriting result	(8)	(3)	(3)
General business operating result (based on longer term investment return)	(4)		-

- Premiums written increased by 2% in local currency terms.
- The result for Latin America was affected by forest fire claims in Chile, earthquake losses in Colombia and development costs associated with the direct marketing operation in Argentina.
- In the Caribbean the purchase of additional reinsurance protection was responsible for the increase in the underwriting loss.

ASIA PACIFIC GENERAL BUSINESS

	1999 £m	1998 Adjusted £m	1998 Original £m
Net premiums written	146	135	134
Underwriting result	(17)	(8)	(9)
General business operating profit (based on longer term investment return)	2		7

Australia

- Premiums written increased by 18% in local currency terms with the growth largely occurring in the personal lines.
- The continuing competitive market conditions and rise in claims frequency produced a small increase in the underwriting loss to £7m from £5m. Price increases are being applied to all lines of business.

New Zealand

- The result was similar to the first quarter of last year both in terms of premiums written and the marginal underwriting loss of £1m.

Asia

- The lower economic activity in the area was responsible for the 9% reduction in premiums written in local currency terms.
- Underwriting profits in Hong Kong, Singapore and the Philippines were more than offset by losses in Indonesia and Japan, including those associated with development of the direct marketing operation, to produce an increase in the underwriting loss to £9m from £2m.

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

GROUP REINSURANCES

	1999 £m	1998 £m
Net premiums written	26	35
Underwriting result	5	2

- * These consist of certain reinsurance covers which are retained by the Group rather than being placed with third parties.

WORLDWIDE LONG TERM BUSINESS

Europe – United Kingdom

	1999 £m	1998 £m
Net premiums written	449	414
Long term business operations profit	41	46

- * In view of the lower investment return environment in worldwide financial markets we have adopted more conservative assumptions in calculating the long term business operations profit.
- * Sales on an annual premium equivalent basis increased by 13% with particularly strong growth in business written through independent financial advisors. New annual premiums rose by 12% with good growth in Group Risk. New single premiums increased by 14% with strong performances in Pensions and With Profit Bonds.

Other Europe

	1999 £m	1998 Adjusted £m	1998 Original £m
Net premiums written	212	168	164
Long term business operations profit	7	7	6

- * Long term business profit was maintained at last year's level.
- * Sales on an annual premium equivalent basis rose by 32%. New annual premiums rose by 27% with a strong performance from the Isle of Man based operations and Denmark. New single premiums increased by 45%, largely accounted for by the Isle of Man and Italy.

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

WORLDWIDE LONG TERM BUSINESS

Americas	1999 £m	1998 Adjusted £m	1998 Original £m
Net premiums written	45	49	48
Long term business operations profit	10	6	6

- * Following an increase in the Canadian contribution, long term business operations profit rose by 67% in local currency terms.
- * New business sales were similar to last year with an increase in Canada offsetting a reduction in the USA.

Asia Pacific	1999 £m	1998 Adjusted £m	1998 Original £m
Net premiums written	40	18	17
Long term business operations profit	2	1	1

- * Long term business operations profit increased by 100% in local currency terms.
- * Largely reflecting the acquisition of the GRE and Norwich Union books of business in New Zealand in 1998 new sales on an annual equivalent basis rose by 76%.

WORLDWIDE INVESTMENT PRODUCTS

- * Worldwide sales of unit trusts, PEPs and other investment products increased by 39% in local currencies to £188m. Strong performances were seen in most regions, particularly in the UK and Italy.

THREE MONTHS RESULTS FOR 1999

The full text is available on the internet at www.royalsunalliance.com. The results statement is also available to the public at 30 Berkeley Square, London W1X 5HA and at 1 Leadenhall Street, London EC3V 1PP.

The half year results will be announced on 5 August 1999.

Enclosed with this release are the following schedules for Royal & Sun Alliance Insurance Group plc :

Consolidated Profit and Loss Account
Statement of Total Recognised Gains and Losses
Movements in Shareholders' funds
Shareholder Consolidated Balance Sheet
Summary Shareholder Cash Flow Statement

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	3 months to 31 Mar 1999 (unaudited)	3 months to 31 Mar 1998 (unaudited) restated
	£m	£m
General business result	68	116
Long term business result	60	59
Other activities (including associated undertakings and goodwill)	17	23
	<hr/>	<hr/>
Group operating profit (based on longer term investment return)	145	198
Other movements in investments	63	744
Change in the equalisation provisions	6	(16)
Other items	-	(138)
	<hr/>	<hr/>
Profit on ordinary activities before tax	214	788
Tax on Group operating profit – longer term investment return	(48)	(65)
Tax on other profits	(51)	(75)
	<hr/>	<hr/>
Profit on ordinary activities after tax	115	648
Attributable to equity minority interests	(10)	(5)
	<hr/>	<hr/>
Profit for the period attributable to shareholders	105	643
Cost of preference dividend	(2)	(2)
	<hr/>	<hr/>
Transfer to retained profits	103	641
	<hr/>	<hr/>
Operating earnings after tax per ordinary share (based on longer term investment return)	5.4p	8.1p
Earnings per ordinary share	6.6p	41.2p
Diluted earnings per ordinary share	6.5p	40.6p

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	3 months to 31 Mar 1999 (unaudited)	12 months to 31 Dec 1998 (audited)
	£m	£m
Profit for the period attributable to shareholders	105	457
Movement in the value of long term business	-	(115)
Exchange	27	(69)
Total recognised gains arising in period	<u>132</u>	<u>273</u>

MOVEMENT IN SHAREHOLDERS' FUNDS

	3 months to 31 Mar 1999 (unaudited)	12 months to 31 Dec 1998 (audited)
	£m	£m
Shareholders' funds at 1 January	7,269	7,333
Share capital issued	3	32
Total recognised gains/(losses)	132	273
Dividends	(2)	(369)
Shareholders' funds at 31 December	<u>7,402</u>	<u>7,269</u>

KEY GROUP FINANCIAL STATISTICS

	3 months to 31 Mar 1999	12 months to 31 Dec 1998
Borrowings / total capital and reserves	5%	6%
Net assets per share	480p	472p
Total funds under management	£58bn	£57bn

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

SHAREHOLDER CONSOLIDATED BALANCE SHEET

	31 Mar 1999 (unaudited)	31 Dec 1998 (audited)
	£m	£m
ASSETS		
Goodwill (see note 5)	13	13
Investments		
Land and buildings	948	970
Interests in associated undertakings	241	218
Other financial investments		
- equities	5,500	5664
- fixed interest	8,615	8,634
- other	1,050	987
Value of long term business	1,506	1,506
	17,860	17,979
Reinsurers' share of technical provisions	2,582	2,519
Debtors	5,010	4,666
Other assets	464	464
Prepayments and accrued income	1,002	978
Total assets	26,931	26,619
LIABILITIES		
Shareholders' funds (see note 3)	7,402	7,269
Equity minority interests in subsidiaries	294	291
Total capital and reserves	7,696	7,560
Technical provisions	15,727	15,548
Borrowings	351	443
Other liabilities	3,157	3,068
Total liabilities	26,931	26,619

Note

The balance sheet includes all assets and liabilities attributable to shareholders and general business. It does not include the assets and liabilities of long term business policyholders.

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

SUMMARY SHAREHOLDER CASH FLOW STATEMENT

	3 months to 31 Mar 1999 (unaudited) £m	3 months to 31 Mar 1998 (unaudited) £m
Net cash inflow from operating activities	(10)	77
Servicing of finance	(13)	(15)
Taxation paid	(12)	(67)
Capital expenditure	(10)	(8)
Acquisitions and disposals	7	(130)
Dividends paid on equity shares	-	-
	(38)	(143)
Issue of ordinary share capital	3	5
Premium on redemption of convertible bond	-	(138)
	(35)	(276)
Investment activities		
Sales of investments	130	133
Increase/(reduction) in borrowings	(95)	143
	35	276

Note

The cash flow statement does not include any amounts relating to the long term business except cash transactions between the long term business and shareholders.

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT – STATUTORY BASIS

	3 months to 31 Mar 1999 (unaudited)	3 months to 31 Mar 1998 (unaudited) restated
	£m	£m
General business underwriting result	(181)	(150)
Balance on long term business technical account gross of tax	60	59
Investment income (see Note 4)	465	322
Premium on convertible bond buyback	-	(138)
Unrealised (losses)/gains on investments	(122)	699
Profit / (loss) from other activities	(1)	4
Central expenses	(7)	(8)
	<u>214</u>	<u>788</u>
Total group operating profit	188	802
Share of results of associated undertakings	26	(14)
	<u>214</u>	<u>788</u>
Profit on ordinary activities before tax	214	788
Tax on Group operating profit – longer term investment return	(48)	(65)
Tax on other profits	(51)	(75)
	<u>115</u>	<u>648</u>
Profit on ordinary activities after tax	115	648
Attributable to equity minority interests	(10)	(5)
	<u>105</u>	<u>643</u>
Profit for the period attributable to shareholders	105	643
Cost of preference dividend	(2)	(2)
	<u>103</u>	<u>641</u>
Transfer to retained profits	103	641
Earnings per ordinary share	6.6p	41.2p
Diluted earnings per ordinary share	6.5p	40.6p

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

EXPLANATORY NOTES TO THE FINANCIAL INFORMATION

1. Exchange rates

In respect of the major overseas currencies the rates of exchange used in these statements are as follows:

	31 Mar 1999	31 Mar 1998	31 Dec 1998
US Dollar	1.61	1.67	1.66
Canadian Dollar	2.44	2.38	2.56
Danish Kroner	11.11	11.81	10.59
Australian Dollar	2.56	2.53	2.71

2. Earnings per share

The earnings per share is calculated by reference to the profit attributable to the equity shareholders and the weighted average of 1,564,564,606 shares in issue during the period. The number of shares in issue at 31 March 1999 was 1,565,214,037.

3. Equalisation provisions

The balance on the general business technical account (underwriting result) is arrived at after a release of £6m (1998 : £16m charge) for the change in the equalisation provisions. Shareholders' funds are stated after deducting equalisation provisions of £244m (31 December 1998 : £250m).

4. Investment income reconciliation

	1999 £m	1998 £m
Net investment income (after loan interest and investment expenses and charges)	200	211
Gains on realisation of investments	259	105
Income from associated undertakings	6	6
Investment income	<u>465</u>	<u>322</u>

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC
EXPLANATORY NOTES TO THE FINANCIAL INFORMATION

Investment Income Reconciliation cont...

31 March 1999	Underlying	Investment	Capital	Total
	£m	income	appreciation	£m
		£m	£m	
General business result	(187)	207	48	68
Long term business result	60			60
Other activities	(9)		26	17
	<u>(136)</u>	<u>207</u>	<u>74</u>	<u>145</u>
	—	—	—	—

31 March 1998	Underlying	Investment	Capital	Total
	£m	income	appreciation	£m
		£m	£m	
General business result	(134)	217	33	116
Long term business result	59			59
Other activities	(4)		27	23
	<u>(79)</u>	<u>217</u>	<u>60</u>	<u>198</u>
	—	—	—	—

5. Goodwill capitalised

Goodwill capitalised represents purchased goodwill since 1 January 1998. The amortisation charge for the period is less than £1m.

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

STATISTICAL APPENDIX

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

TERRITORIAL ANALYSIS OF GENERAL BUSINESS OPERATIONS

Premiums Written

Three Months to 31 March

	1999	1998	1998	Currency
	£m	Adjusted £m	Original £m	Inc/Dec %
Europe - UK	811	857	857	(5)
Other Europe	436	416	395	5
Americas	376	359	353	5
Asia Pacific	146	135	134	8
Group Reinsurance	26	35	35	(26)
	1,795	1,802	1,774	-

Underwriting Result

Three Months to 31 March

	1999	1998	1998
	£m	Adjusted £m	Original £m
Europe - UK	(91)	(65)	(65)
Other Europe	(32)	(35)	(36)
Americas	(52)	(26)	(26)
Asia Pacific	(17)	(8)	(9)
Group Reinsurance	5	2	2
	(187)	(132)	(134)
Equalisation provisions	6	(16)	(16)
	(181)	(148)	(150)

Operating Ratio

Three Months to 31 March

	1999	1998
	%	%
Europe - UK	111.3	106.6
Other Europe	104.9	107.1
Americas	114.2	107.7
Asia Pacific	110.2	106.3
Group Reinsurance	39.4	16.0
	109.5	106.2

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

EUROPE - UK GENERAL BUSINESS OPERATIONS

THREE MONTHS TO 31 MARCH

	Net Premiums Written			Underwriting Result		Operating Ratio	
	1999 £m	1998 £m	Inc/dec %	1999 £m	1998 £m	1999 %	1998 %
Personal Insurance							
Household	192	216	(11)	(24)	(32)	114.1	114.1
Motor	152	119	28	(29)	(17)	118.8	112.5
Other	65	43	51	(4)	1	105.4	102.6
Total Personal	409	378	8	(57)	(48)	113.6	111.8
Commercial Insurance							
Property	157	207	(24)	(8)	4	106.4	95.6
Casualty	67	83	(19)	(4)	(2)	105.5	100.5
Motor	114	113	1	(15)	(14)	114.5	114.2
Other	64	76	(16)	(7)	(5)	111.6	106.8
Total Commercial	402	479	(16)	(34)	(17)	109.0	102.5
	811	857	(5)	(91)	(65)	111.3	106.6

	Operating Ratio	
	1999 %	1998 %
Claims ratio	78.7	77.8
Expense ratio	32.6	28.8
	111.3	106.6

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC
OTHER EUROPE – GENERAL BUSINESS OPERATIONS
THREE MONTHS TO 31 MARCH

	Net Premiums Written				Underwriting Result			Operating Ratio	
	1999 £m	1998 Adjusted £m	1998 Original £m	Currency Inc/dec %	1999 £m	1998 Adjusted £m	1998 Original £m	1999 %	1998 %
Scandinavia	124	119	112	4	(2)	(5)	(5)	96.5	99.5
Germany	69	73	69	(6)	(3)	(8)	(8)	100.1	120.6
Ireland	45	41	40	8	(4)	(3)	(4)	108.6	108.7
Italy	70	62	59	12	(9)	(8)	(8)	111.0	113.2
Spain	51	43	41	19	(8)	(6)	(6)	116.9	115.0
Other	77	78	74	-	(6)	(5)	(5)	102.0	100.5
	436	416	395	5	(32)	(35)	(36)	104.9	107.1

	Operating Ratio	
	1999 %	1998 %
Claims ratio	80.0	80.7
Expense ratio	24.9	26.4
	104.9	107.1

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

AMERICAS GENERAL BUSINESS OPERATIONS

THREE MONTHS TO 31 MARCH

	Net Premiums Written				Underwriting Result			Operating Ratio	
	1999 £m	1998 Adjusted £m	1998 Original £m	Currency Inc/dec %	1999 £m	1998 Adjusted £m	1998 Original £m	1999 %	1998 %
USA	231	220	212	5	(29)	(10)	(9)	112.4	104.3
Canada	102	97	99	5	(15)	(13)	(14)	115.3	114.0
Latin America/ Caribbean	43	42	42	2	(8)	(3)	(3)	120.4	109.1
	376	359	353	5	(52)	(26)	(26)	114.2	107.7

	Operating Ratio	
	1999 %	1998 %
Claims ratio	76.4	72.2
Expense ratio	37.8	35.5
	114.2	107.7

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

AMERICAS GENERAL BUSINESS OPERATIONS

THREE MONTHS TO 31 MARCH

USA

	Net Premiums Written			Underwriting Result		Operating Ratio	
	1999 \$m	1998 \$m	Inc/dec %	1999 \$m	1998 \$m	1999 %	1998 %
Personal							
Householders	26	24	6	(8)	(1)	128.5	106.0
Automobile	53	54	(2)	8	5	85.2	91.7
Other	6	5	13	2	3	74.1	53.6
Total Personal	85	83	1	2	7	98.2	93.4
Commercial							
Fire and EC	17	17	-	(6)	14	133.0	50.4
Package	77	76	1	(24)	(4)	131.3	106.0
Automobile	42	43	(3)	-	(15)	99.5	138.3
Workers' comp	74	74	-	(15)	5	121.6	89.1
General liability	37	30	25	(7)	(17)	118.7	158.6
Other	41	31	32	4	(4)	86.8	114.7
Total Commercial	288	271	6	(48)	(21)	117.1	107.9
	373	354	5	(46)	(14)	112.4	104.3

	Operating Ratio	
	1999 %	1998 %
Claims ratio	75.9	68.8
Expense ratio	36.5	35.5
	112.4	104.3

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

AMERICAS GENERAL BUSINESS OPERATIONS

THREE MONTHS TO 31 MARCH

Canada

	Net Premiums Written			Underwriting Result		Operating Ratio	
	1999 C\$m	1998 C\$m	Inc/dec %	1999 C\$m	1998 C\$m	1999 %	1998 %
Personal							
Household	41	40	4	(5)	(16)	112.6	135.5
Motor	104	91	14	1	11	99.5	91.2
Total Personal	145	131	11	(4)	(5)	103.3	105.1
Commercial							
Property	30	31	(5)	(14)	(14)	144.4	139.9
Motor	40	41	(1)	(4)	(2)	110.2	105.8
General liability	25	25	-	(17)	(13)	162.4	143.4
Other	9	9	-	1	1	105.9	102.6
Total Commercial	104	106	(2)	(34)	(28)	131.8	124.7
	249	237	5	(38)	(33)	115.3	114.0

	Operating Ratio	
	1999 %	1998 %
Claims ratio	79.4	80.3
Expense ratio	35.9	33.7
	115.3	114.0

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

ASIA PACIFIC GENERAL BUSINESS OPERATIONS

THREE MONTHS TO 31 MARCH

	Net Premiums Written				Underwriting Result			Operating Ratio	
	1999 £m	1998 Adjusted £m	1998 Original £m	Currency Inc/dec %	1999 £m	1998 Adjusted £m	1998 Original £m	1999 %	1998 %
Australia	98	83	85	18	(7)	(5)	(6)	106.1	106.3
New Zealand	14	14	14	-	(1)	(1)	(1)	106.9	110.2
Other Asia	34	38	35	(9)	(9)	(2)	(2)	121.8	106.8
	146	135	134	8	(17)	(8)	(9)	110.2	106.3

	Operating Ratio	
	1999 %	1998 %
Claims ratio	74.7	72.2
Expense ratio	35.5	34.1
	110.2	106.3

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

TERRITORIAL ANALYSIS OF LONG TERM BUSINESS OPERATIONS

THREE MONTHS TO 31 MARCH

Life & Pensions

Net Premiums Written

Long Term Business Operations Profit

	1999	1998	1998	Currency	1999	1998	1998	Currency
	£m	Adjusted £m	Original £m	Inc/dec %	£m	Adjusted £m	Original £m	Inc/dec %
Europe – UK	449	414	414	8	41	46	46	(11)
Other Europe	212	168	164	26	7	7	6	-
Americas	45	49	48	(8)	10	6	6	67
Asia Pacific	40	18	17	122	2	1	1	100
	746	649	643	15	60	60	59	(2)

New Business Annual Premiums

New Business Single Premiums

	1999	1998	1998	Currency	1999	1998	1998	Currency
	£m	Adjusted £m	Original £m	Inc/dec %	£m	Adjusted £m	Original £m	Inc/dec %
Europe – UK	28	25	25	12	199	175	175	14
Other Europe	28	22	21	27	116	80	79	45
Americas	3	3	3	-	6	6	6	-
Asia Pacific	3	2	2	50	14	5	5	180
	62	52	51	19	335	266	265	26

Investment Products

Sales

	1999	1998	1998	Currency
	£m	Adjusted £m	Original £m	Inc/dec %
Europe – UK	85	48	48	77
Other Europe	50	36	34	39
Americas	26	37	38	(30)
Asia Pacific	27	14	14	93
	188	135	134	39