

SCHEDULE 1

METHODS OF CALCULATING THE EQUALISATION RESERVE

PART I

Methods of calculating transfers in

1. Amounts to be transferred to the equalisation reserve at the end of a financial year shall be calculated in accordance with paragraphs 2 to 3 below.

2. For business falling within a business group, the amount to be transferred to the equalisation reserve shall be the percentage specified in the table contained in paragraph 3 below of net premiums written in that financial year including adjustments in respect of all previous financial years in respect of that business.

3. The table referred to in paragraph 2 above is as follows.

<i>Business group</i>	<i>Percentage of net premiums written</i>
A	3%
B	3%
C	6%
D	75%
E	11%