

Our role in a global society

For hundreds of years insurance has played a critical role in enabling global trade, facilitating innovation and fuelling economic and social prosperity. At RSA, we are proud of our heritage as the oldest insurance company in the world. Looking forward, we expect to continue to play an important role in global society.

At its heart insurance is about the pooling of risk. By enabling groups of customers to share risks, we lower the costs of those risks for all concerned. To add value for customers it is vital that insurers have a thorough understanding of the risks being pooled. Premiums need to cover the costs of claims as well as the costs of selling and administering the policy, and the cost of cover needs to be attractive to customers by matching to their evaluation of risk.

As well as lowering costs, pooling risks also creates assets. This is due to the timing difference between the receipt of premiums and the payment of claims. Insurers can use these assets to invest in society.


Our investment strategy is constrained by duration, because of the need to maintain liquidity to pay claims and by risk, because of the need to be confident in asset values when claims become due. We hold capital to protect policyholders from the risks we take within our investment portfolio as well as to protect against volatility in our underwriting performance.

PEACE OF MIND FOR INDIVIDUALS

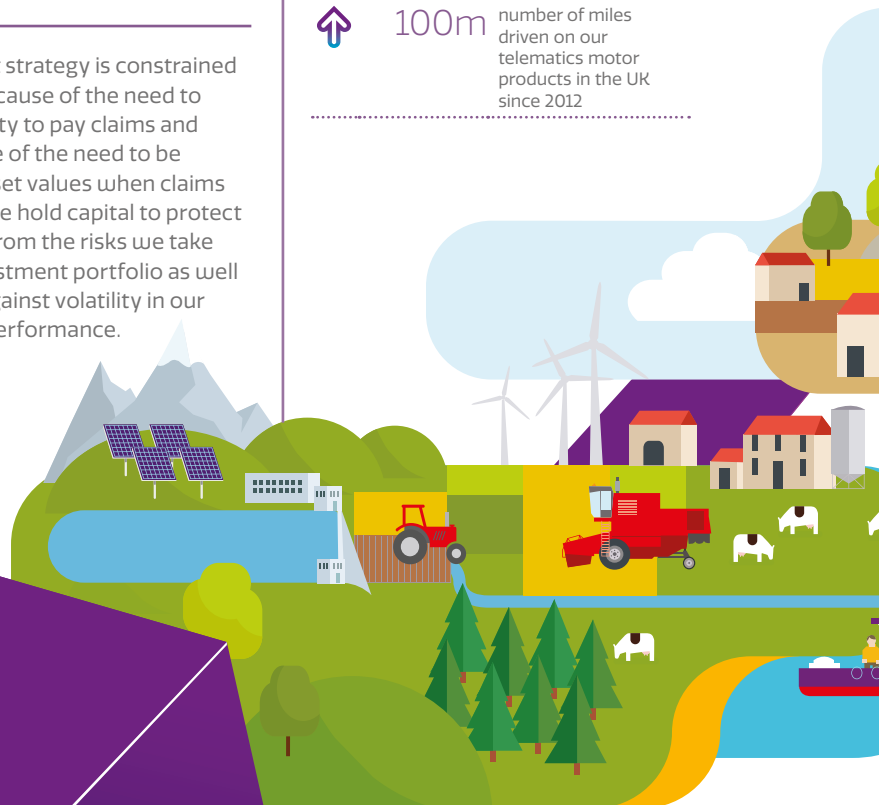
Every day we insure millions of customers' families, cars, houses, and pets across the world. In doing so we provide our customers with the peace of mind that if the worst happens they will be able to rely on RSA to help.

Our products and services help to reduce risk and make communities safer places to live, work and travel. Motor insurance is a substantial part of our business and we have a clear commercial interest in making the world's roads safer. From promoting telematics to running road safety campaigns, we provide incentives, advice and guidance to customers and the general public to promote safer motoring for all users.

 £4.0bn of Personal net written premiums in 2014

 13 no. of countries in the RSA Group that ran major road safety campaigns in 2014

 100m number of miles driven on our telematics motor products in the UK since 2012



SUPPORTING COMMERCIAL TRADE

Our commercial insurance products cover a wide range of business sectors from property, marine and motor through to utilities, telecoms, renewable energy, and construction and engineering. By reducing the costs of these risks to businesses, we enable our customers to deploy more capital on the creation of economic value. For example our marine insurance team facilitate international trade by lowering the risks and costs of transportation. We work with our large commercial customers to help them manage complex risks, reducing their premiums and our likely claims costs.

✈️ £3.5bn of Commercial net written premiums in 2014

✈️ £600m of Marine premiums written in 2014

⬆️ 70%¹ expected construction output growth by 2025

INVESTING IN OUR SOCIETIES

We hold our assets mainly in high-quality fixed income investments. This conservative investment strategy provides a stable source of capital to governments and companies and enables them to focus on generating economic value for their constituents and customers.

Our businesses and services also promote environmental sustainability by helping our customers respond to changing risks and promoting new ways of working that save energy and resources. We are one of the world's largest insurers of renewable energy, particularly in the offshore wind sector.

✈️ 25% of the world's wind turbine manufacturing insured by RSA

✈️ 80% of the world's offshore wind farms insured by RSA

⬆️ £14.2bn of investment assets

SUPPORTING THRIVING COMMUNITIES

Our customers and our business do well when they are part of prosperous communities. Our products and services give individuals and companies confidence to invest and grow. Through our Corporate Responsibility activity, we focus on the social challenges many of the countries in which we operate face, including youth unemployment and the need to develop enterprise and entrepreneurship vital to economic growth. We run education and employability programmes, including skills-sharing volunteering activities, internships and SME business mentoring.

✈️ 43% of our volunteering support focused on education and employability programmes

✈️ 6,691 no. of volunteering hours devoted during 2014

⬆️ £1.1m of charitable donations made during 2014



¹ Global construction 2025 by Global Construction Perspectives and Oxford Economics