

**PLAINTIFF'S
EXHIBIT
565**

From: Wessel, David
Sent: Monday, August 11, 2003 4:30 PM
To: Jacobson, Rob
Cc: Pisano, Rick
Subject: Gen Re Entries

Attachments: gen re gaap entries.xls; RETROACTIVE REINSURANCE
TRANSACTIONS.doc

Rob,

Attached are the following files:

GAAP entries for 12/00 and 3/01 (separate worksheets)



gen re gaap
entries.xls (28 KB...

STAT Writeup for Retroactive Reinsurance



RETROACTIVE
INSURANCE TRANS/



Confidential

	A	B	C	D	E	F
1			DBG			
2			GAAP JE #79			
3			12/31/2000			
4						
5						
6						
7						
8	DESCRIPTION:	GEN RE LPT ACCOUNTING				
9						
10						
11						
12	PRIOR QUARTER:					
13						
14			DR	(CR)	CONSCO	ACCOUNT
15						
16	FUND HELD - ASSETS				0135	121-00-765
17	PREMIUMS WRITTEN - ASSUMED				0405	601-20-000
18	CHG IN RESV FOR LOSSES - ASSMD IBNR		0		0439	704-50-000
19	RESV FOR LOSSES - ASSMD IBNR				0215	301-50-000
20			0	0		
21						
22	CURRENT QUARTER:					
23						
24			DR	(CR)	CONSCO	ACCOUNT
25						
26	FUND HELD - ASSETS		250,000,000		0135	121-00-765
27	PREMIUMS WRITTEN - ASSUMED			250,000,000	0405	601-20-000
28	CHG IN RESV FOR LOSSES - ASSMD IBNR		250,000,000		0439	704-50-000
29	RESV FOR LOSSES - ASSMD IBNR			250,000,000	0215	301-50-000
30			500,000,000	500,000,000		
31						
32	TO BE KEYED:					
33						
34			DR	(CR)	CONSCO	ACCOUNT
35						
36	FUND HELD - ASSETS		250,000,000		0135	121-00-765
37	PREMIUMS WRITTEN - ASSUMED			250,000,000	0405	601-20-000
38	CHG IN RESV FOR LOSSES - ASSMD IBNR		250,000,000		0439	704-50-000
39	RESV FOR LOSSES - ASSMD IBNR			250,000,000	0215	301-50-000
40			500,000,000	250,000,000		

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Confidential

	A	B	C	D	E	F
1			DBG			
2			GAAP JE #79			
3			3/31/2001			
4						
5						
6						
7						
8	DESCRIPTION:	GEN RE LPT ACCOUNTING				
9						
10						
11						
12	PRIOR QUARTER:					
13						
14			DR	(CR)	CONSCO	ACCOUNT
15						
16	FUND HELD - ASSETS		250,000,000		0135	121-00-765
17	PREMIUMS WRITTEN - ASSUMED			0	0405	601-20-000
18	CHG IN RESV FOR LOSSES - ASSMD IBNR		0		0439	704-50-000
19	RESV FOR LOSSES - ASSMD IBNR			250,000,000	0215	301-50-000
20			250,000,000	250,000,000		
21						
22	CURRENT QUARTER:					
23						
24			DR	(CR)	CONSCO	ACCOUNT
25						
26	FUND HELD - ASSETS		500,000,000		0135	121-00-765
27	PREMIUMS WRITTEN - ASSUMED			250,000,000	0405	601-20-000
28	CHG IN RESV FOR LOSSES - ASSMD IBNR		250,000,000		0439	704-50-000
29	RESV FOR LOSSES - ASSMD IBNR			500,000,000	0215	301-50-000
30			750,000,000	750,000,000		
31						
32	TO BE KEYED:					
33						
34			DR	(CR)	CONSCO	ACCOUNT
35						
36	FUND HELD - ASSETS		250,000,000	0	0135	121-00-765
37	PREMIUMS WRITTEN - ASSUMED		0	250,000,000	0405	601-20-000
38	CHG IN RESV FOR LOSSES - ASSMD IBNR		250,000,000	0	0439	704-50-000
39	RESV FOR LOSSES - ASSMD IBNR		0	250,000,000	0215	301-50-000
40			500,000,000	250,000,000		

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**RETROACTIVE REINSURANCE TRANSACTIONS
IN THE 2000 ANNUAL STATEMENT (NUF POOL)**

\$250 million Gen Re LPT (2000)

- This contract transfers both components of insurance and covers liabilities that occurred prior to the effective date.
- Contracts meeting the criteria above must follow retroactive reinsurance accounting (per chapter 22 for current guidance and SSAP 62 for codification guidance – guidance is identical under both). Also, all LPT's are to be accounted for as retroactive reinsurance.
- Under retroactive accounting, the contracts are to be excluded from loss reserves and underwriting results.
- The loss reserves assumed will be shown as a liability write-in line (retro reinsurance reserves assumed) on page 3 of the A/S – (cr \$250 million).
- The income (expense) on this contract is -0- as the premium and loss amounts are identical.
- The remaining entry is to increase funds held asset (dr \$250 million).
- A retroactive reinsurance footnote (#19) is required showing reserves transferred, consideration paid, amounts recovered and special surplus reserves for all assumed and ceded retro reinsurance contracts. The reinsurers involved are to be listed along with the amount of retroactive reinsurance reserves outstanding at the balance sheet date (General Reinsurance Corporation - \$250 million).