

Other Businesses

in USD millions, for the years ended December 31	2006	2005	Change
Net earned premiums and policy fees	2,338	3,057	(24%)
Net investment result	1,969	2,037	(3%)
Total benefits, losses and expenses	(3,923)	(4,863)	19%
Business operating profit	554	413	34%

Business operating profit increased by USD 141 million with solid contributions from both Farmers Re and Centre. **Farmers Re** contributed USD 181 million to Other Businesses business operating profit. The effect of lower levels of reinsurance ceded by the Exchanges to Farmers Re in 2006 more than offset improved loss development primarily due to the more benign catastrophe experience in 2006. Other operations within the segment contributed USD 373 million with profits arising in certain run-off businesses, including **Centre's** contribution of USD 246 million.

Corporate Functions

in USD millions, for the years ended December 31	2006	2005	Change
Net investment income	645	616	5%
Interest expense	(1,168)	(984)	(19%)
Business operating loss	(888)	(679)	(31%)
Headquarter expenses, after recharges to operating businesses and excluding foreign currency	(188)	(91)	nm

Business operating loss increased by USD 209 million to USD 888 million for the year ended December 31, 2006. Interest expense increased by USD 184 million primarily as a result of debt issued in 2005. **Headquarter expenses, after recharges to operating businesses and excluding foreign currency** increased by USD 97 million, primarily as a result of expenses for our global branding campaign. Partially offsetting these factors was an increase of foreign currency gains for the Corporate Functions segment of USD 112 million.