

# **Gresham Insurance Company Limited**

**Annual FSA Insurance Returns for the year ended  
31st December 2005**



(Appendices 9.1, 9.2, 9.5, 9.6)

# Gresham Insurance Company Limited

Year ended 31st December 2005

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**Statement of solvency - general insurance business**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

Solo solvency calculation

R1	Company registration number 110410	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2005	
			As at end of this financial year			As at end of the previous year
			1			2

**Capital resources**

Capital resources arising outside the long-term insurance fund	11	50742	61394
Capital resources allocated toward long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover general business capital resources requirement (11-12)	13	50742	61394

**Guarantee Fund**

Guarantee Fund requirement	21	8756	8091
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	41986	53309

**Minimum capital requirement (MCR)**

General insurance capital requirement	31	26267	24272
Base capital resources requirement	33	1353	1391
Individual minimum capital requirement	34	26267	24272
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34 + 35)	36	26267	24272
Excess (deficiency) of available capital resources to cover 50% of MCR	37	37609	49258
Excess (deficiency) of available capital resources to cover 75% of MCR	38	31042	43190

**Capital resources requirement (CRR)**

Capital resources requirement	41	26267	24272
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	24475	37122

**Contingent liabilities**

Quantifiable contingent liabilities in respect of other than long-term insurance business as shown in a supplementary note to Form 15	51		
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**Covering sheet to Form 1**

Name of insurer      **Gresham Insurance Company Limited**

Global business

Financial year ended      **31st December 2005**

.....      **Philip Easter**      **Director**

.....      **Adrian Grace**      **Director**

.....      **Mark Hodges**      **Director**

**London 16th March 2006**

Components of capital resources

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	<b>R3</b>	<b>110410</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2005</b>	<b>£000</b>
	General insurance business <b>1</b>	Long-term insurance business <b>2</b>	Total as at the end of this financial year <b>3</b>		Total as at the end of the previous year <b>4</b>		

**Core tier one capital**

Permanent share capital	<b>11</b>	61400		61400	61400
Profit and loss account and other reserves	<b>12</b>	(7413)		(7413)	
Share premium account	<b>13</b>				
Positive valuation differences	<b>14</b>				
Fund for future appropriations	<b>15</b>				
Core tier one capital in related undertakings	<b>16</b>				
Core tier one capital (sum of 11 to 16)	<b>19</b>	53987		53987	61400

**Tier one waivers**

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	<b>21</b>				
Implicit items	<b>22</b>				
Tier one waivers in related undertakings	<b>23</b>				
Total tier one waivers as restricted (21+22+23)	<b>24</b>				

**Other tier one capital**

Perpetual non-cumulative preference shares as restricted	<b>25</b>				
Perpetual non-cumulative preference shares in related undertakings	<b>26</b>				
Innovative tier one capital as restricted	<b>27</b>				
Innovative tier one capital in related undertakings	<b>28</b>				

<b>Total tier one capital before deductions (19+24+25+26+27+28)</b>	<b>31</b>	53987		53987	61400
Investments in own shares	<b>32</b>				
Intangible assets	<b>33</b>				
Amounts deducted from technical provisions for discounting	<b>34</b>				
Other negative valuation differences	<b>35</b>	3245		3245	
Deductions in related undertakings	<b>36</b>				
Deductions from tier one (32 to 36)	<b>37</b>	3245		3245	
<b>Total tier one capital after deductions (31-37)</b>	<b>39</b>	50742		50742	61400

Components of capital resources

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
<b>R3</b>	<b>110410</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2005</b>	<b>£000</b>
	General insurance business <b>1</b>	Long-term insurance business <b>2</b>	Total as at the end of this financial year <b>3</b>			Total as at the end of the previous year <b>4</b>

**Tier two capital**

Implicit items, (tier two waivers and amounts excluded from line 22)	<b>41</b>				
Perpetual non-cumulative preference shares excluded from line 25	<b>42</b>				
Innovative tier one capital excluded from line 27	<b>43</b>				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	<b>44</b>				
Perpetual cumulative preference shares	<b>45</b>				
Perpetual subordinated debt and securities	<b>46</b>				
Upper tier two capital in related undertakings	<b>47</b>				
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>				

Fixed term preference shares	<b>51</b>				
Other tier two instruments	<b>52</b>				
Lower tier two capital in related undertakings	<b>53</b>				
<b>Lower tier two capital (51+52+53)</b>	<b>59</b>				

<b>Total tier two capital before restrictions (49+59)</b>	<b>61</b>				
Excess tier two capital	<b>62</b>				
Further excess lower tier two capital	<b>63</b>				
<b>Total tier two capital after restrictions, before deductions (61-62-63)</b>	<b>69</b>				

**Components of capital resources**

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
<b>R3</b>	<b>110410</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2005</b>	<b>£000</b>
	General insurance Business <b>1</b>	Long-Term insurance Business <b>2</b>	Total as at the end of this financial year <b>3</b>			Total as at the end of the previous year <b>4</b>

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	<b>71</b>				
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>	50742		50742	61400
Inadmissible assets other than intangibles and own shares	<b>73</b>				6
Assets in excess of market risk and counterparty limits	<b>74</b>				
Deductions for related ancillary services undertakings	<b>75</b>				
Deductions for regulated non-insurance related undertakings	<b>76</b>				
Deductions of ineligible surplus capital	<b>77</b>				
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>	50742		50742	61394

**Available capital resources for PRU tests**

Available capital resources for guarantee fund requirement	<b>81</b>	50742		50742	61394
Available capital resources for 50% MCR requirement	<b>82</b>	50742		50742	61394
Available capital resources for 75% MCR requirement	<b>83</b>	50742		50742	61394

**Financial engineering adjustments**

Implicit items	<b>91</b>				
Financial reinsurance - ceded	<b>92</b>				
Financial reinsurance - accepted	<b>93</b>				
Outstanding contingent loans	<b>94</b>				
Any other charges on future profits	<b>95</b>				
<b>Sum of financial engineering adjustments (91+92-93+94+95)</b>	<b>96</b>				

## Calculation of general insurance capital requirement - premiums amount and brought forward amount

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

General insurance business

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R11	110410	GL	31	12	2005	£000
		This financial year 1		Previous year 2		
Gross premiums written	11		160675			146406
Premium taxes and levies (included in line 11)	12		173			
Premiums receivable net of taxes and levies (11-12)	13		160502			146406
Premiums for classes 11, 12 or 13 (included in line 13)	14					
Premiums for "actuarial health insurance" (included in line 13)	15					
<b>Sub-total A</b> (13 + 1/2 14 - 2/3 15)	16		160502			146406
Gross premiums earned	21		152485			143271
Premium taxes and levies (included in line 21)	22		173			
Premiums earned net of taxes and levies (21-22)	23		152312			143271
Premiums for classes 11, 12 or 13 (included in line 23)	24					
Premiums for "actuarial health insurance" (included in line 23)	25					
<b>Sub-total H</b> (23 + 1/2 24 - 2/3 25)	26		152312			143271
<b>Sub-total I</b> (higher of sub-total A and sub-total H)	30		160502			146406
<b>Adjusted Sub-total I</b> if financial year is not a 12 month period to produce an annual figure	31					
Division of gross adjusted premiums amount: sub-total I (or adjusted sub- total I if appropriate)	x 0.18	32	28890			26353
	Excess (if any) over 50M EURO x 0.02	33	2533			2232
<b>Sub-total J</b> (32-33)	34		26357			24121
Claims paid in period of 3 financial years	41		211277			170324
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42				
	For insurance business accounted for on an accident year basis	43	50822			49005
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis	44				
	For insurance business accounted for on an accident year basis	45	28661			28702
<b>Sub-total C</b> (41+42+43-44-45)	46		233438			190627
Amounts recoverable from reinsurers in respect of claims included in Sub-total C	47		798			232
<b>Sub-total D</b> (46-47)	48		232640			190395
<b>Reinsurance ratio</b> (Sub-total D / sub-total C or, if more, 50% or, if less, 100%)	49		99.66			99.88
<b>Premiums amount</b> Sub-total J x <b>reinsurance ratio</b>	50		26267			24092
Provisions for claims outstanding (before discounting and net of reinsurance)	51		50690			48877
<b>Brought forward amount</b> (12.43.2 x 51.1 / 51.2 or, if less, 12.43.2)	52		24272			24272
Greater of lines 50 and 52	53		26267			24272



## General insurance business : Calculation of general insurance capital requirement - claims amount and result

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

General insurance business

		Company registration number	GL/UK/CM	Period ended			Units	
		R12	110410	GL	31	12	2005	£000
					day	month	year	
					This financial year		Previous year	
					1		2	
Reference period (No. of months) See PRU7.2.63R		11			36		36	
Claims paid in reference period		21			211277		170324	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22						
	For insurance business accounted for on an accident year basis	23			50822		49005	
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	24						
	For insurance business accounted for on an accident year basis	25			28661		28702	
Claims incurred in reference period (21+22+23-24-25)		26			233438		190627	
Claims incurred for classes 11, 12 or 13 (included in 26)		27						
Claims incurred for "actuarial health insurance" (included in 26)		28						
<b>Sub-total E</b> (26 + 1/2 27 - 2/3 28)		29			233438		190627	
<b>Sub-total F</b> - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)		31			77813		63542	
Division of sub-total F (gross adjusted claims amount)	X 0.26	32			20231		16521	
	Excess (if any) over 35M EURO x 0.03	33			1624		1176	
<b>Sub-total G</b> (32 - 33)		39			18607		15345	
<b>Claims amount</b> Sub-total G x reinsurance ratio (11.49)		41			18544		15327	
Higher of <b>premiums amount</b> and <b>brought forward amount</b> (11.53)		42			26267		24272	
<b>General insurance capital requirement</b> (higher of lines 41 and 42)		43			26267		24272	

**Analysis of admissible assets**

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	<b>R13</b>	<b>110410</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2005</b>	<b>£000</b>	<b>1</b>
<b>Investments</b>						As at the end of this financial year 1		As at the end of the previous year 2
Land and buildings				<b>11</b>				
<b>Investments in group undertakings and participating interests</b>								
UK insurance dependants	shares			<b>21</b>				
	debts and loans			<b>22</b>				
Other insurance dependants	shares			<b>23</b>				
	debts and loans			<b>24</b>				
Non-insurance dependants	shares			<b>25</b>				
	debts and loans			<b>26</b>				
Other group undertakings	shares			<b>27</b>				
	debts and loans			<b>28</b>				10122
Participating interests	shares			<b>29</b>				
	debts and loans			<b>30</b>				
<b>Other financial investments</b>								
Equity shares				<b>41</b>				
Other shares and other variable yield participations				<b>42</b>				
Holdings in collective investment schemes				<b>43</b>				
Rights under derivative contracts				<b>44</b>				
Fixed interest securities	Approved			<b>45</b>		63234		52584
	Other			<b>46</b>		54133		26168
Variable interest securities	Approved securities			<b>47</b>				
	Other			<b>48</b>				35166
Participation in investment pools				<b>49</b>				
Loans secured by mortgages				<b>50</b>				
Loans to public or local authorities and nationalised industries or undertakings				<b>51</b>				
Loans secured by policies of insurance issued by the company				<b>52</b>				
Other loans				<b>53</b>				
Bank and approved credit & financial institution deposits	One month or less withdrawal			<b>54</b>		17528		10445
	More than one month withdrawal			<b>55</b>				100
Other financial investments				<b>56</b>				

**Analysis of admissible assets**

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	<b>R13</b>	<b>110410</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2005</b>	<b>£000</b>	<b>1</b>
							As at the end of this financial year <b>1</b>	As at the end of the previous year <b>2</b>
Deposits with ceding undertakings				<b>57</b>				
Assets held to match linked liabilities	Index linked			<b>58</b>				
	Property linked			<b>59</b>				
<b>Reinsurers' share of technical provisions</b>								
Provision for unearned premiums				<b>60</b>				6260
Claims outstanding				<b>61</b>		132		128
Provision for unexpired risks				<b>62</b>				
Other				<b>63</b>				
<b>Debtors and salvage</b>								
Direct insurance business	Policyholders			<b>71</b>		74257		
	Intermediaries			<b>72</b>		16969		51871
Salvage and subrogation recoveries				<b>73</b>				
Reinsurance	Accepted			<b>74</b>		471		
	Ceded			<b>75</b>				
Dependants	Due in 12 months or less			<b>76</b>				
	Due in more than 12 months			<b>77</b>				
Other	Due in 12 months or less			<b>78</b>		14301		1090
	Due in more than 12 months			<b>79</b>				
<b>Other assets</b>								
Tangible assets				<b>80</b>				
Deposits not subject to time restriction on withdrawal with approved institutions				<b>81</b>				20
Cash in hand				<b>82</b>				
Other assets (particulars to be specified by way of supplementary note)				<b>83</b>				
Accrued interest and rent				<b>84</b>		1220		1406
Deferred acquisition costs				<b>85</b>		22295		28940
Other prepayments and accrued income				<b>86</b>				
Deductions from the aggregate value of assets				<b>87</b>				
Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)				<b>89</b>		264540		224300

**Analysis of admissible assets**

Name of insurer **Gresham Insurance Company Limited**  
 Global business  
 Financial year ended **31st December 2005**  
 Category of assets **Total other than long term insurance business assets**

R13	Company registration number	GL/UK/CM	Period ended			Units	Category of assets
			day	month	year		
	110410	GL	31	12	2005	£000	1

			As at the end of this financial year			As at the end of the previous year	
			1			2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91	264540	224300
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction of regulated related undertakings	93		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	94		
Inadmissible assets of regulated related insurance undertakings	95		
Book value of related ancillary services undertakings	96		
Other differences in the valuation of assets (other than for assets not valued above)	97		
Deferred acquisition costs excluded from line 89	98		
Reinsurers' share of technical provisions excluded from line 89	99		
Other asset adjustments (may be negative)	100		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 100)	101	264540	

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102	267	10122
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**Liabilities (other than long term insurance business)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

R15	Company registration number 110410	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2005	
			As at the end of this financial year		1	As at the end of the previous year
					2	

**Technical provisions (gross amount)**

Provision for unearned premiums	11	86854	78664
Claims outstanding	12	50822	49005
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	22567
Other gross technical provisions	16		19322
Total gross technical provisions (11 to 16)	19	160243	146991

**Provisions and creditors**

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	31			
Creditors	Direct insurance business	41	10259	14
	Reinsurance accepted	42		
	Reinsurance ceded	43	1969	3944
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46	1676	70	
Creditors	Taxation	47	6758	1045
	Recommended dividend	48		4385
	Other	49	26638	5532
Accruals and deferred income	51	6255	925	
Total (19 to 51)	59	213798	162906	
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69	213798	162906	

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71	22352	4077
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Reinsurers' share of DAC	81		
Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83	(3245)	
Capital and reserves	84	53987	
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69+81-82+83+84)	85	264540	

**Profit and loss account (non-technical account)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

		Company registration number	GL/UK/CM	Period ended			Units	
		R16	110410	GL	31	12	2005	£000
		This financial year			Previous year			
		1			2			
Transfer (to)/from the general insurance business technical account	From Form 20	11	(18153)	2436				
	Equalisation provisions	12	(3245)	(2317)				
Transfer from the long term insurance business revenue account		13						
Investment income	Income	14	6563	7253				
	Value re-adjustments on investments	15	1216					
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17	69	134				
	Value re-adjustments on investments	18		81				
	Loss on the realisation of investments	19	836	962				
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21	735					
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	(13789)	6195				
Tax on profit or loss on ordinary activities		31	(3131)	1810				
Profit or loss on ordinary activities after tax (29-31)		39	(10658)	4385				
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41						
Tax on extraordinary profit or loss		42						
Other taxes not shown under the preceding items		43						
Profit or loss for the financial year (39+41-(42+43))		49	(10658)	4385				
Dividends (paid and proposed)		51		4385				
Profit or loss retained for the financial year (49-51)		59	(10658)					

General insurance business - summary of business carried on

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	Period ended			Units
				day	month	year	
R20A	110410	GL	31	12	2005	£000	
			Provision for undiscounted gross claims outstanding at the end of this financial year				
			Reported	Incurring but not reported			
		1	2	3			
001	Total business	1	160674	43449	5411	86854	
002	Total primary (direct) and facultative business	2	160674	43449	5411	86854	
003	Total treaty reinsurance accepted business	3					
110	Total primary (direct) and facultative accident & health (category numbers 111 to 114)	4	504			321	
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	1491	119	30	1331	
160	Primary (direct) and facultative household and domestic all risks.	6	156279	43112	4818	85202	
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	2400	179	563		
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8					
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9					
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10		39			
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11					
330	Total primary (direct) and facultative aviation (category number 331 to 333)	12					
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13					
350	Total primary (direct) and facultative goods in transit	14					
400	Miscellaneous primary (direct) and facultative business	15					
500	Total non-proportional treaty business accepted (category numbers 510 to 590)	16					
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17					
700	Miscellaneous treaty reinsurance accepted business	18					
	Total (lines 4 to 18)	20	160674	43449	5411	86854	

General insurance business - summary of business carried on

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	Period ended			Units
				day	month	year	
R20A	110410	GL	31	12	2005	£000	
		Gross premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
		<b>1</b>	Reported		Incurred but not reported		
			<b>2</b>	<b>3</b>			

PRIMARY (DIRECT) and FACULTATIVE PERSONAL LINES BUSINESS

111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23	504			321
114	Personal accident or sickness	24				
121	Private motor - comprehensive	25	1249	104	26	1111
122	Private motor - non-comprehensive	26	242	15	4	220
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28	156279	43112	4818	85202
181	Assistance	29				
182	Creditor	30	2400	179	563	
183	Extended warranty	31				
184	Legal expenses	32				
185	Mortgage indemnity	33				
186	Pet insurance	34				
187	Other personal financial loss	35				

PRIMARY (DIRECT) and FACULTATIVE COMMERCIAL LINES BUSINESS

221	Fleets	41				
222	Commercial vehicles (non-fleet)	42				
223	Motor other	43				
261	Commercial property	44				
262	Consequential loss	45				
263	Contractors or engineering all risks	46				
271	Employers liability	47		39		
272	Professional indemnity	48				
273	Public and products liability	49				
274	Mixed commercial package	50				
281	Fidelity and contract guarantee	51				
282	Credit	52				
283	Suretyship	53				
284	Commercial contingency	54				



General insurance business - summary of business carried on

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	Period ended			Units
				day	month	year	
R20A	110410	GL	31	12	2005	£000	
		Gross premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year				
		1	Reported	Incurred but not reported	3		
			2				
<b>PRIMARY (DIRECT) and FACULTATIVE: AVIATION, MARINE and TRANSPORT</b>							
331	Aviation liability	61					
332	Aviation hull	62					
333	Space and satellite	63					
341	Marine liability	64					
342	Marine hull	65					
343	Energy (on and off-shore)	66					
344	Protection and indemnity	67					
345	Freight demurrage and defence	68					
346	War risks	69					
347	Yacht	70					
350	Total primary (direct) and facultative goods in transit	71					
<b>PRIMARY (DIRECT) and FACULTATIVE: MISCELLANEOUS</b>							
400	Miscellaneous primary (direct) and facultative business	72					
<b>NON-PROPORTIONAL TREATY</b>							
510	Non-proportional accident & health	81					
520	Non-proportional motor	82					
530	Non-proportional aviation	83					
540	Non-proportional marine	84					
550	Non-proportional transport	85					
560	Non-proportional property	86					
570	Non-Proportional liability (non-motor)	87					
580	Non-proportional financial lines	88					
590	Non-proportional aggregate cover	89					
<b>PROPORTIONAL TREATY</b>							
610	Proportional accident & health	91					
620	Proportional motor	92					
630	Proportional aviation	93					
640	Proportional marine	94					
650	Proportional transport	95					
660	Proportional property	96					
670	Proportional liability (non-motor)	97					
680	Proportional financial lines	98					
690	Proportional aggregate cover	99					
<b>TREATY REINSURANCE: MISCELLANEOUS</b>							
700	Miscellaneous treaty reinsurance accepted business	101					
<b>TOTAL (lines 21 to 101)</b>		<b>111</b>	<b>160674</b>	<b>43449</b>	<b>5411</b>	<b>86854</b>	

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Total business**

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R20	110410	GL	31	12	2005	£000	001
					This financial year		Previous year		
					1		2		
<b>Items to be shown net of reinsurance</b>									
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	140515	134003					
	Claims incurred (21. 17. 4)	12	85610	79399					
	Claims management costs (22. 18. 4)	13	4347	3971					
	Adjustment for discounting (22. 52. 4)	14							
	Increase in provision for unexpired risks (22. 19. 4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22. 42. 4)	17	71540	49792					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(20982)	841					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	(3223)	(2341)					
	Claims management costs (22. 14. 4)	23	394	746					
	Adjustment for discounting (22. 51. 4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22. 41. 4)	26							
	Balance (21-22-23+24+25-26)	29	2829	1595					
Balance from underwriting year accounting	Per Form 24 (22. 69. 99 - 99)	31							
	Other technical income and charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	(18153)	2436					
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(18153)	2436					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Total primary (direct) and facultative business**

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R20	110410	GL	31	12	2005	£000	002
					This financial year		Previous year		
					1		2		
<b>Items to be shown net of reinsurance</b>									
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	140515	134003					
	Claims incurred (21. 17. 4)	12	85610	79399					
	Claims management costs (22. 18. 4)	13	4347	3971					
	Adjustment for discounting (22. 52. 4)	14							
	Increase in provision for unexpired risks (22. 19. 4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22. 42. 4)	17	71540	49792					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(20982)	841					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	(3223)	(2341)					
	Claims management costs (22. 14. 4)	23	394	746					
	Adjustment for discounting (22. 51. 4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22. 41. 4)	26							
	Balance (21-22-23+24+25-26)	29	2829	1595					
Balance from underwriting year accounting	Per Form 24 (22. 69. 99 - 99)	31							
	Other technical income and charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	(18153)	2436					
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(18153)	2436					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Primary (direct) and facultative household and domestic all risks.**

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R20	110410	GL	31	12	2005	£000	160
				This financial year			Previous year		
				1			2		
<b>Items to be shown net of reinsurance</b>									
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	137745	134003					
	Claims incurred (21. 17. 4)	12	85142	79399					
	Claims management costs (22. 18. 4)	13	4347	3971					
	Adjustment for discounting (22. 52. 4)	14							
	Increase in provision for unexpired risks (22. 19. 4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22. 42. 4)	17	70789	49792					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(22533)	841					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	(3477)	(2341)					
	Claims management costs (22. 14. 4)	23	394	746					
	Adjustment for discounting (22. 51. 4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22. 41. 4)	26							
	Balance (21-22-23+24+25-26)	29	3083	1595					
Balance from underwriting year accounting	Per Form 24 (22. 69. 99 - 99)	31							
	Other technical income and charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	(19450)	2436					
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(19450)	2436					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Balance of all primary (direct) and facultative business**

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R20	110410	GL	31	12	2005	£000	409
				This financial year			Previous year		
				1			2		
<b>Items to be shown net of reinsurance</b>									
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	2770	3214					
	Claims incurred (21. 17. 4)	12	468	879					
	Claims management costs (22. 18. 4)	13							
	Adjustment for discounting (22. 52. 4)	14							
	Increase in provision for unexpired risks (22. 19. 4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22. 42. 4)	17	751	1049					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	1551	1286					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	254	(512)					
	Claims management costs (22. 14. 4)	23							
	Adjustment for discounting (22. 51. 4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22. 41. 4)	26							
Balance (21-22-23+24+25-26)	29	(254)	512						
Balance from underwriting year accounting	Per Form 24 (22. 69. 99 - 99)	31							
	Other technical income and charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	1297	1798					
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	1297	1798					

**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Total business**

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R21	110410	GL	31	12	2005	£000	001
		Gross premiums written		Reinsurers' share		Net of reinsurance			
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
		1		3		5			
		Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year		
		1	2	3	4	5	6		
<b>Premiums receivable during the financial year</b>									
In respect of risks incepted in previous financial years		11							
In respect of risks incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13	55	6			55	6	
	For periods of 12 months	14	73715	86643	5710		68005	86643	
	For periods of more than 12 months	15	51	205			51	205	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	78664		6260		72404		
Total (12 to 16)		19	152485	86854	11970		140515	86854	

**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Total primary (direct) and facultative business**

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R21	110410	GL	31	12	2005	£000	002
		Gross premiums written		Reinsurers' share		Net of reinsurance			
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
		1		3		5			
		Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year		
		1	2	3	4	5	6		
<b>Premiums receivable during the financial year</b>									
In respect of risks incepted in previous financial years		11							
In respect of risks incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13	55	6			55	6	
	For periods of 12 months	14	73715	86643	5710		68005	86643	
	For periods of more than 12 months	15	51	205			51	205	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	78664		6260		72404		
Total (12 to 16)		19	152485	86854	11970		140515	86854	

## General insurance business (accident year accounting) : Analysis of premiums

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Primary (direct) and facultative household and domestic all risks.**

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R21	110410	GL	31	12	2005	£000	160
		Gross premiums written		Reinsurers' share		Net of reinsurance			
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
		1		3		5			
		Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year		
		1	2	3	4	5	6		
<b>Premiums receivable during the financial year</b>									
In respect of risks incepted in previous financial years		11							
In respect of risks incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13	1			1			
	For periods of 12 months	14	71079	85202	5706	65373	85202		
	For periods of more than 12 months	15							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	78631		6260	72371			
Total (12 to 16)		19	149711	85202	11966	137745	85202		



## General insurance business (accident year accounting) : Analysis of premiums

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Balance of all primary (direct) and facultative business**

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R21	110410	GL	31	12	2005	£000	409
		Gross premiums written		Reinsurers' share		Net of reinsurance			
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
		1		3		5			
		Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year		
		1	2	3	4	5	6		
<b>Premiums receivable during the financial year</b>									
In respect of risks incepted in previous financial years		11							
In respect of risks incepted in previous financial years		12							
In respect of risks incepted in this financial year	For periods of less than 12 months	13	54	6			54	6	
	For periods of 12 months	14	2636	1441	4		2632	1441	
	For periods of more than 12 months	15	51	205			51	205	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	33				33		
Total (12 to 16)		19	2774	1652	4		2770	1652	

## General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Total business**

		Company registration number	GL/UK/CM	Period ended			Units	Category Number	
		R22	110410	GL	31	12	2005	£000	001
			1	2	3	4			
			Amount brought forward from previous financial year	Amount payable/receivable in this financial year	Amount carried forward to next financial year	Amount attributable to this financial year			
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	47170	27659	16869	(2642)			
	Reinsurers' share	12	128	577	132	581			
	Net (11-12)	13	47042	27082	16737	(3223)			
	Claims management costs	14	1836	1571	659	394			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		53619	31991	85610			
	Reinsurers' share	16							
	Net (15-16)	17		53619	31991	85610			
	Claims management costs	18		3044	1303	4347			
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	28940	47739	16248	60431			
	Other acquisition expenses	22		8248	6047	2201			
	Administrative expenses	23		9422		9422			
	Reinsurance commissions and profit participations	24	511	3		514			
	Total (21+22+23-24)	29	28429	65406	22295	71540			
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	28429	65406	22295	71540			
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

## General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Total primary (direct) and facultative business**

		Company registration number	GL/UK/CM	Period ended			Units	Category Number	
		R22	110410	GL	31	12	2005	£000	002
			Amount brought forward from previous financial year	Amount payable/receivable in this financial year	Amount carried forward to next financial year			Amount attributable to this financial year	
			1	2	3			4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	47170	27659	16869			(2642)	
	Reinsurers' share	12	128	577	132			581	
	Net (11-12)	13	47042	27082	16737			(3223)	
	Claims management costs	14	1836	1571	659			394	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		53619	31991			85610	
	Reinsurers' share	16							
	Net (15-16)	17		53619	31991			85610	
	Claims management costs	18		3044	1303			4347	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	28940	47739	16248			60431	
	Other acquisition expenses	22		8248	6047			2201	
	Administrative expenses	23		9422				9422	
	Reinsurance commissions and profit participations	24	511	3				514	
	Total (21+22+23-24)	29	28429	65406	22295			71540	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	28429	65406	22295			71540	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

## General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

FSA general insurance business reporting category

**Primary (direct) and facultative household and domestic all risks.**

		Company registration number	GL/UK/CM	Period ended			Units	Category Number	
		R22	110410	GL	31	12	2005	£000	160
			1	2	3	4			
			Amount brought forward from previous financial year	Amount payable/receivable in this financial year	Amount carried forward to next financial year	Amount attributable to this financial year			
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	46495	27510	16089	(2896)			
	Reinsurers' share	12	88	577	92	581			
	Net (11-12)	13	46407	26933	15997	(3477)			
	Claims management costs	14	1836	1571	659	394			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		53297	31845	85142			
	Reinsurers' share	16							
	Net (15-16)	17		53297	31845	85142			
	Claims management costs	18		3044	1303	4347			
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	28920	47036	16195	59761			
	Other acquisition expenses	22		8068	5942	2126			
	Administrative expenses	23		9416		9416			
	Reinsurance commissions and profit participations	24	511	3		514			
	Total (21+22+23-24)	29	28409	64517	22137	70789			
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	28409	64517	22137	70789			
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

## General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**FSA general insurance business reporting category **Balance of all primary (direct) and facultative business**

		Company registration number	GL/UK/CM	Period ended			Units	Category Number	
				day	month	year			
		R22	110410	GL	31	12	2005	£000	409
			Amount brought forward from previous financial year	Amount payable/receivable in this financial year	Amount carried forward to next financial year				Amount attributable to this financial year
			1	2	3				4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	675	149		780		254	
	Reinsurers' share	12	40			40			
	Net (11-12)	13	635	149		740		254	
	Claims management costs	14							
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		322		146		468	
	Reinsurers' share	16							
	Net (15-16)	17		322		146		468	
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	20	703		53		670	
	Other acquisition expenses	22		180		105		75	
	Administrative expenses	23		6				6	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29	20	889		158		751	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42	20	889		158		751	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

## General insurance business (accident year accounting) : Analysis of net claims and premiums

Name of insurer **Gresham Insurance Company Limited**  
 Global business  
 Financial year ended **31st December 2005**

FSA general insurance business reporting category **Total business**

Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/(surplus) of original reserve %	Claims ratio %
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
12	2005	11			53619	27321	4670			85610		140515		60.9
12	2004	12	47607	31792	21765	7114	695	22059	9733	(2218)		134003	(7.0)	57.6
12	2003	13	32929	28704	15778	3766	6281	38	7066	3470	(451)	113995	(9.9)	51.6
12	2002	14	27076	17240	15862	810	1257	6	1084	811	178	75520	3.9	59.6
12	2001	15	24066	17410	13939	474	626	2	684	400	18	77500	(13.6)	50.5
12	2000	16	25117	24106	21918	102	146	1	450	350	(551)	79583	(8.0)	59.4
12	1999	17	25834	24208	20477	85	110		247	210	(262)	85210	(14.6)	54.6
12	1998	18	29060	25679	24118	64	447		406	100	5	93062	(4.1)	57.7
12	1997	19	25169	22818	20854	10	17		(7)	90	(56)	93712	(8.5)	49.1
12	1996	20	23331	20567	19415	6	5		(153)	50	114	87024	(5.5)	49.1
Prior accident years		21					(8)		(8)					
Reconciliation		22												
Total (11 to 22)		29			80701	43316	5412	31828	15214	82387				

## General insurance business (accident year accounting) : Analysis of net claims and premiums

Name of insurer **Gresham Insurance Company Limited**  
 Global business  
 Financial year ended **31st December 2005**

FSA general insurance business reporting category **Total primary (direct) and facultative business**

Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/(surplus) of original reserve %	Claims ratio %
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
12	2005	11			53619	27321	4670			85610		140515		60.9
12	2004	12	47607	31792	21765	7114	695	22059	9733	(2218)		134003	(7.0)	57.6
12	2003	13	32929	28704	15778	3766	6281	38	7066	3470	(451)	113995	(9.9)	51.6
12	2002	14	27076	17240	15862	810	1257	6	1084	811	178	75520	3.9	59.6
12	2001	15	24066	17410	13939	474	626	2	684	400	18	77500	(13.6)	50.5
12	2000	16	25117	24106	21918	102	146	1	450	350	(551)	79583	(8.0)	59.4
12	1999	17	25834	24208	20477	85	110		247	210	(262)	85210	(14.6)	54.6
12	1998	18	29060	25679	24118	64	447		406	100	5	93062	(4.1)	57.7
12	1997	19	25169	22818	20854	10	17		(7)	90	(56)	93712	(8.5)	49.1
12	1996	20	23331	20567	19415	6	5		(153)	50	114	87024	(5.5)	49.1
Prior accident years		21					(8)		(8)					
Reconciliation		22												
Total (11 to 22)		29			80701	43316	5412	31828	15214	82387				

## General insurance business (accident year accounting) : Analysis of net claims and premiums

Name of insurer **Gresham Insurance Company Limited**  
 Global business  
 Financial year ended **31st December 2005**

FSA general insurance business reporting category **Primary (direct) and facultative household and domestic all risks.**

Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original reserve %	Claims ratio %
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
12	2005	11			53297	27204	4641			85142		137745		61.8
12	2004	12	47266	31254	21620	6937	132	21854	9400	(2565)		130790	(8.2)	58.1
12	2003	13	32461	27775	15409	3762	6281	38	7050	3400	(369)	109200	(8.2)	53.1
12	2002	14	26808	16502	15126	810	1257	6	1084	800	189	72680	4.2	60.5
12	2001	15	23695	16501	13114	474	626	2	684	400	18	73477	(13.8)	51.6
12	2000	16	24840	23456	21660	102	146	1	450	350	(551)	76936	(6.6)	60.8
12	1999	17	25819	24058	20466	85	110		247	210	(262)	85035	(14.1)	54.7
12	1998	18	29060	25679	24118	64	447		406	100	5	93062	(4.1)	57.7
12	1997	19	25169	22818	20854	10	17		(7)	90	(56)	93712	(8.5)	49.1
12	1996	20	23331	20567	19415	6	5		(153)	50	114	87024	(5.5)	49.1
Prior accident years		21					(8)		(8)					
Reconciliation		22												
Total (11 to 22)		29			80230	43022	4820	31607	14800	81665				



## General insurance business (accident year accounting) : Analysis of net claims and premiums

Name of insurer **Gresham Insurance Company Limited**  
 Global business  
 Financial year ended **31st December 2005**

FSA general insurance business reporting category **Balance of all primary (direct) and facultative business**

Accident year ended		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/(surplus) of original reserve %	Claims ratio %
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
12	2005	11			322	117	29			468		2770		16.9
12	2004	12	341	538	145	177	563	205	333	347		3213	64.5	38.2
12	2003	13	468	929	369	4		16	70	(82)		4795	(59.8)	17.5
12	2002	14	268	738	736				11	(11)		2840	(0.3)	35.4
12	2001	15	371	909	825							4023	(9.2)	29.7
12	2000	16	277	650	258							2647	(60.3)	20.2
12	1999	17	15	150	11							175	(92.7)	14.9
12	1998	18												
12	1997	19												
12	1996	20												
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			471	294	592	221	414	722				

Company registration number	GL/UK/CM	Period ended			Units	Category number	
		day	month	year			
R23	110410	GL	31	12	2005	£000	409

## General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance

Name of insurer **Gresham Insurance Company Limited**  
 Global business  
 Financial year ended **31st December 2005**  
 FSA general insurance business reporting category

Currency **British pound**  
 Reporting Territory **United Kingdom**

**Primary (direct) and facultative household and domestic all risks.**

Accident year ended		Company registration number	GL/UK/CM	Period ended			Monetary units	Category number	Currency code	Reporting territory code			
				day	month	year							
Month	Year	R31	110410	GL	31	12	2005	000	160	GBP	AA		
		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance for each accident year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	
		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported				
		1	2	3	4	5	6	7	8	9	10	11	
12	2005	11	59258	24142		53297	27204	4641			85142	149711	56.9
12	2004	12	66022	3948	47427	22197	7029	132	21933	9400	(1975)	140057	54.8
12	2003	13	44048	2797	47870	3762	6281	38	7049	3400	(368)	115388	50.2
12	2002	14	37480	1176	41934	810	1257	6	1084	800	189	77048	57.1
12	2001	15	32110	727	36809	474	626	2	684	400	17	77261	49.1
12	2000	16	42749	205	46500	102	146	1	450	350	(552)	80487	58.1
12	1999	17	48653	35	46285	85	110		247	210	(262)	89289	52.1
12	1998	18	59709	13	53178	64	447		406	100	5	97496	55.1
12	1997	19	50726	13	46023	10	17		(7)	90	(56)	99112	46.5
12	1996	20	49134	8	42746	6	5		(153)	50	114	93299	45.8
Prior accident years		21					(8)		(8)				
Total (11 to 21)		29		33064		80807	43114	4820	31685	14800	82254		
Line 29 expressed in sterling		30				80807	43114	4820	31685	14800	82254		

**Equalisation provisions**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

		Company registration number		GL/UK/CM	Period ended			Units
		R37	110410		GL	31	12	
		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)	All business	Credit insurance business
		1	2	3	4	5	6	7
<b>Calculation of the maximum provision</b>								
Total net premiums written in the previous 4 years	11	413593						
Net premiums written in the current year	12	150575						
Maximum provision	13	22567					22567	
<b>Calculation of the transfer to/from the provision</b>								
Equalisation provision brought forward	21						19322	
Transfers in	22	4517					4517	
Total abnormal loss	23							
Provisional transfers out	24							
Excess of provisional transfer out over fund available	25							
Provisional amount carried forward (21+22-24+25)	26						23839	
Excess, if any, of 26 over 13	27						1272	
Equalisation provision carried forward (26-27)	28						22567	
Transfer in/(out) for financial year (28-21)	29						3245	

**Equalisation provisions technical account : Accident year accounting**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2005**

		Company registration number		GL/UK/CM	Period ended			Units
		R38	110410		day	month	year	
		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)		
		1	2	3	4	5		
<b>Other than credit business</b>								
Net premiums earned	11	137746						
Claims incurred net of reinsurance	12	81666						
Trigger claims value	13	99866						
Abnormal loss	19							
Trigger claims ratio		72.5%	72.5%	95%	25%	100%		

**Credit business**

Net premiums earned	21	
Claims incurred net of reinsurance	22	
Claims management costs	23	
Net operating expenditure	24	
Technical surplus/(deficit) (21-22-23-24)	29	

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

**Additional information as required by rule 9.25 of the Accounts and Statements Rules**

Reinsurer Details	Connection	Prop. RI Treaties £000	Non Prop. RI Treaties £000	Debts Outst' ding £000	Deposits Received £000	Anticipated Recoveries £000	Comments
GE Frankona Ltd 3 Minster Court Mincing Lane London, EC3R 7DD	None	Nil	606	Nil	Nil	15	
Lloyd's 1 Lime Street London, EC3M 7HA	None	Nil	873	Nil	Nil	22	
International Property Catastrophe Reinsurance Ltd 29 Richmond Road Pembroke HM08 Bermuda	None	Nil	578	Nil	Nil	15	
Endurance Specialty Insurance Company Wellesley House 90 Pitts Bay Road Pembroke HN08 Bermuda	None	Nil	307	Nil	Nil	8	
Platinum Reinsurance (UK) Ltd Fitzwilliam House 10 St Mary Axe London, EC3A 8EN	None	Nil	105	Nil	Nil	3	
Ace Tempest Reinsurance Ltd 30 Woodbourne Avenue Hamilton HM 08 Bermuda	None	Nil	Nil	Nil	Nil	Nil	
Curepool Limited Cannon's Court 22 Victoria Street Hamilton HM 12 Bermuda	Fellow group undertaking from 31 March 2005	Nil	482	Nil	Nil	12	
General Reinsurance UK Limited Corn Exchange 55 Mark Lane London EC3R 7NE	None	Nil	404	Nil	Nil	10	
Swiss Re UK 30 St Mary Axe London EC3A 8EP	None	Nil	337	Nil	Nil	8	
Legal & General Assurance Soc Ltd 11 Queen Victoria Street, London, EC4N 4TP	Parent undertaking until 31 March 2005	Nil	Nil	Nil	Nil	Nil	

**Name of insurer**            GRESHAM INSURANCE COMPANY LIMITED

Global business

Financial year ended    **31st December 2005**

**Additional information as required by rule 9.26 of the Accounts and Statements Rules**

There are no major facultative reinsurers

**Name of insurer**            GRESHAM INSURANCE COMPANY LIMITED

Global business

Financial year ended    **31st December 2005**

**Additional information as required by rule 9.27 of the Accounts and Statements Rules**

There are no major cedants.

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

**Additional information as required by rule 9.29 of the Accounts and Statements Rules**

Derivative Contracts

- a. The following summarises investment policy for the use of derivatives:

Derivatives will only be used in accordance with guidelines issued by the Financial Services Authority for the purpose of efficient portfolio management or reduction in investment risk.

Derivatives must not be used for speculative purposes.

Derivatives must be fully covered by the assets of the fund and must not be used to "gear up" a fund.

Counterparty risk - for exchange traded contracts, the exchange must be classed as "regulated" by the Norwich Union Investment Committee. For over the counter contracts, transactions must only be transacted with approved counterparties. Counterparty limits are consistent, and monitored in line with the fund's aggregate exposure guidelines.

Controls and monitoring - delegated authorities exist for each member of staff using derivatives. Derivatives transactions are priced, settled and profit and losses reconciled in an area independent of the fund managers involved.

- b. There are no specific guidelines for the use of contracts that were not reasonably likely to be exercised at the start of the contract. The speculative use of derivative contracts is prohibited.
- c. The Company did not enter any contracts that would be classed under b. above during the financial year.
- d. As at 31 December 2005, no amount relating to derivatives was included in Form 13.
- e. The maximum effect on d. over the financial year based on the maximum amounts for each category outstanding at the year-end would have been nil.
- f. The maximum amount outstanding in the year was nil.
- g. As at 31 December 2005, the Company was not party to any derivative contracts.
- h. No derivative contract was held during the financial year, which required a significant provision to be made for it under PRU 4.3.17R.
- i. The Company did not grant any rights under derivative contracts.



Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

**Additional information as required by rule 9.30 of the Accounts and Statements Rules**

Until 31st March 2005, controllers of the Company were:

Legal & General Insurance Limited  
Legal & General Assurance Society Limited  
Legal & General Insurance Holdings Limited.  
Legal & General Group plc  
Woolwich plc  
Barclays Bank plc

Since 31st March 2005, 100% of the issued ordinary share capital of the Company has been held by CGU International Insurance plc, which also controls 100% of the voting rights.

100% of the issued ordinary share capital of CGU International Insurance plc has been held throughout the year by Norwich Union Holdings Limited, which also controls 100% of the voting rights.

Until 12th December 2005, 100% of the issued ordinary share capital of Norwich Union Holdings Limited was held by Norwich Union plc, which also controlled 100% of the voting rights.

Until 12th December 2005, 100% of the issued ordinary share capital of Norwich Union plc was held by General Accident plc, which also controlled 100% of the voting rights.

100% of the issued ordinary share capital of General Accident plc has been held throughout the year by the ultimate parent undertaking, Aviva plc, which also controls 100% of the voting rights.

Since 12th December 2005, 100% of the issued ordinary share capital of Norwich Union Holdings Limited has been held by Aviva plc, which also controls 100% of the voting rights.

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

**Additional information as required by rule 9.32 of the Accounts and Statements Rules**

Non-facultative reinsurance contracts entered into or modified during the year.

Business reporting category	Type of reinsurance cover	Policy limitations	Period of cover
Household and domestic all risks	Catastrophe Excess of Loss Treaty (contract cover £60m xs £25m)	One reinstatement prepaid with maximum recoverable £120m	29 September 2005 – 28 September 2006
Household and domestic all risks	Catastrophe Excess of Loss Treaty (contract cover £80m xs £85m)	One reinstatement prepaid with maximum recoverable £160m	29 September 2005 – 28 September 2006
Household and domestic all risks reinsured with parent undertaking – CGU International Insurance plc	Catastrophe Excess of Loss Treaty (contract cover £50m xs £150m)	One reinstatement prepaid	1 April 2005 – 28 September 2005
Household and domestic all risks reinsured with parent undertaking – CGU International Insurance plc	Catastrophe Excess of Loss Treaty (contract cover £55m xs £165m)	One reinstatement prepaid	29 September 2005 – 31 March 2006
Personal motor	Maximum net retention £10m	Unlimited reinstatement	1 July 2005 – 31 December 2005

**Maximum net probable loss to the Company**

Business reporting category	maximum net probable loss	
	any one contract of insurance £'000	all such contracts of insurance £'000
Household and domestic all risks	630	25,000

**Reinsurers' share of gross premiums**

Business reporting category	Facultative premiums £'000	Non-facultative premiums £'000
Household and domestic all risks	Nil	5,706

**Supplementary Notes to the Returns**Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005****\*0104\* Accounting Policies**

These are as stated in the Company's Annual Report and Accounts except where modified by the requirements of the Accounts and Statements Rules.

**\*0301\* Reconciliation**

	2005 £000	2004 £000
Form 13, Line 89	264,540	224,300
Less		
Form 15, Line 69	213,798	162,906
	<hr/>	<hr/>
Net admissible assets	50,742	61,394
	<hr/>	<hr/>
Capital resources		
Form 3, Line 79	50,742	61,394
	<hr/>	<hr/>

**\*0310\* \*1507\* Other Negative Valuation Differences**

The Company prepared its 2005 annual statutory financial statements in accordance with International Financial Reporting Standards (IFRS) for the first time. Those financial statements do not include a claims equalisation reserve (CER) in liabilities (of £22,567k) but instead include a profit commission expense (of £19,322k) to a third party payable as a result of the release of the CER under IFRS. Consequently, in line 35 of Form 3 and line 83 of Form 15 there is a negative valuation difference of £3,245k in respect of the net impact of these adjustments, being the difference in the year-end CER and the profit commission paid. If the financial statements had been prepared in accordance with UK GAAP, there would be no adjustment in this line.

**\*1302\* Hybrid Securities**

The Company has no hybrid securities in line 46 of Form 13 (2004: £23,300k).

**\*1304\* Debtors and Creditors**

Certain amounts shown in Forms 13 and 15 have been calculated by netting amounts due to any one person or undertaking against amounts due from that person or undertaking, where there is a right of set-off as permitted by International Accounting Standard 1.

**\*1305\* Counterparty Limits**

The maximum extent to which, in accordance with any investment guidelines operated by the Company, it was permitted to be exposed to any one counterparty and connected undertakings during the financial year in question was 6% of the Business Amount. The maximum extent to which, in accordance with Company investment guidelines, it was permitted to be exposed to any one counterparty, other than by way of exposure to an approved counterparty during the financial year, was 5% of the Business Amount. Over the financial year there were no breaches of the above limits.

**Supplementary Notes to the Returns**

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

**\*1314\* Leased Assets**

There were no tangible leased assets included at line 80 of Form 13 (2004 - nil).

**\*1501\* Provision for Reasonably Foreseeable Adverse Variations**

No adjustment or provision is required in respect of a provision for reasonably foreseeable adverse variations pursuant to PRU 1.3.26R to 1.3.29R or PRU 4.3.17R to 4.3.18R. All derivative contracts are strictly covered and all other obligations to deliver assets or make a payment were felt to be prudently provided for in the accounts.

**\*1502\* Contingent Liabilities**

- a. There are no charges over the Company's assets.
- b. No provision has been included in Form 15 for any liabilities to tax on capital gains, which might arise if the Company disposed of its investments. The full potential liability for deferred tax not provided was £nil (2004 - £nil).
- c. There are no contingent liabilities in the Company.
- d. No guarantee, indemnity or other contractual commitment, effected other than in the ordinary course of insurance business, exists in respect of related companies.
- e. There are no fundamental uncertainties.

**\*1601\* Rates of Exchange**

Assets, liabilities and revenue transactions in currencies other than sterling have been revalued at rates of exchange ruling at 31st December.

**\*1602\* Brought Forward Amounts**

Some of the brought forward amounts shown in Forms 11 and 12 have been restated from the corresponding carried forward amounts included in the previous year's return due to the conversion of foreign currency amounts at the closing rates of exchange at 31st December 2005.

**\*1603\* Other Income**

Line 21 of Form 16 represents domestic emergency cover collected on behalf of a third party.

**\*1700\* Form Omitted**

No Form 17 has been prepared on the basis that the Company had no derivative contracts in place at either the end of the current or previous financial years.

**Supplementary Notes to the Returns**

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

**\*20Ab\* Risks of Death or Injury to Passengers**

Contracts of insurance against risks of death of, or injury to, passengers has been allocated to the risk categories of private motor comprehensive and private motor non-comprehensive.

**\*20Ae\* Facultative Business**

There is no facultative business reported under category number 002.

**\*20Ag\* Home Foreign and Overseas Business**

No gross written premiums are attributable to home foreign or overseas business.

**\*20Aj\* New Contracts of Insurance**

In respect of authorisation classes 3 and 10, no new contracts of insurance have been effected by the Company since December 1993. In respect of authorisation class 12, no new contracts of insurance have been effected by the Company since December 1986. In respect of authorisation class 14, no new contracts of insurance have been effected by the Company since May 2000.

**\*2007\* Material Connected Party Transactions (Rule 9.39)**

The Company has been funded since 31st March 2005 by its parent undertaking, CGU International Insurance plc. At the year-end the balance owed to its parent was £22,352k, being the maximum amount owed during the period.

In 2005, the Company paid a dividend of £4,385k to its then shareholder, Legal & General Insurance Limited.

**Supplementary Notes to the Returns**

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

**\*2102\* \*2501\* Unearned Premiums**

Unearned premiums are computed principally on a daily pro-rata basis, which the Company believes most accurately determines the required provision.

**\*2202\* \*2404\* Claims Management Costs**

Claims management costs represent indirect overhead costs incurred in respect of maintaining settlement functions. These costs include both charges by third parties and an attribution of the Company's own expenses, such as salaries and related costs of employees. Provision has been made at the year end for all claims management costs to cover the anticipated future costs of negotiating and settling claims which have been incurred, whether reported or not.

**\*2204\* \*2406\* Acquisition Costs**

Acquisition costs represent the fixed and variable costs arising from the conclusion of insurance contracts including direct costs, such as the cost of drawing up the insurance document, and indirect costs, such as advertising costs or the administrative expenses connected with the processing of proposals and the issuing of policies. For business accounted for on an annual basis, a proportion of the related acquisition expenses has been deferred commensurate with the unearned premiums provisions. The acquisition costs deferred have been that proportion of the total acquisition costs, which the unearned premiums provision bears to gross written premiums, by class.

**\*2205\* \*2502\* Unexpired Risks**

Provision is made for unexpired risks when, after taking account of an element of attributable investment income, if necessary, it is anticipated that unearned premiums will be insufficient to cover future claims and expenses on existing contracts. No attributable investment income has needed to be taken into account in either 2005 or 2004.

**Certificate required by rule 9.34 of the Accounts and Statements Rules**

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

We certify

- a. that the return has been properly prepared in accordance with the requirements in *IPRU (INS)* and *PRU*; and
- b. that the directors are satisfied that:
  - (i) throughout the financial year in question, the Company has complied in all material respects with the requirements in *SYSC* and *PRIN* as well as the provisions of *IPRU (INS)* and *PRU*; and
  - (ii) it is reasonable to believe that the Company has continued so to comply subsequently, and will continue so to comply in future.

**Philip Easter**  
Director

**Adrian Grace**  
Director

**Mark Hodges**  
Director

London  
16th March 2006

**Independent Auditors' report to the Directors pursuant to rule 9.35 of the Accounts and Statements Rules**

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

We have examined the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Chapter 9 of the Interim Prudential Sourcebook for Insurers and the Integrated Prudential Sourcebook ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000.

€ Forms 1, 3, 11 to 13, 15, 16, 20A, 20 to 23, 31, 37 and 38 (including the supplementary notes) ("the Forms"); and

€ the statements required by rules 9.25 to 9.27 and 9.29 on pages 35 to 38 ("the statements");

We are not required to examine and do not express an opinion on the following:

€ the statements required by rules 9.30 and 9.32 on pages 39 and 40; and

€ the certificate signed in accordance with rule 9.34 on page 45.

This report is made solely to the insurer's directors, in accordance with rule 9.35 of the Accounts and Statements Rules. Our examination has been undertaken so that we might state to the insurer's directors those matters we are required by the Rules to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the insurer for our examination, for this report, or for the opinions we have formed.

**Respective responsibilities of the insurer and its auditors**

The insurer is responsible for the preparation of an annual return (including the Forms and the statements) under the provisions of the Rules. Under rule 9.11 the Forms and the statements are required to be prepared in the manner set out in the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms and the statements meet these requirements and to report our opinion to you. We also report to you if, in our opinion, the insurer has not kept proper accounting records or if we have not received all the information we require for our examination.

**Basis of opinion**

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom" and Bulletin 2004/5 "Supplementary guidance for auditors of insurers in the United Kingdom" issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms and the statements. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year on which we reported on 24th March 2006. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms and the statements.



**Independent Auditors' Report to the Directors pursuant to rule 9.35 of the Accounts and Statements Rules**

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2005**

We planned and performed our work so as to obtain all the information and explanations, which we considered necessary, in order to provide us with sufficient evidence to give reasonable assurance that the Forms and the statements are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with rule 9.11.

**Opinion**

In our opinion the Forms and the statements fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules.

ERNST & YOUNG LLP  
Registered Auditor  
London  
24th March 2006