

Gresham Insurance Company Limited

**Annual FSA Insurance Returns for the year ended
31st December 2006**



(Appendices 9.1 , 9.2 , 9.5 , 9.6)

Gresham Insurance Company Limited

Year ended 31st December 2006

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Statement of solvency - general insurance business

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ending **31st December 2006**

Solo solvency calculation	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	R1	110410	GL	31	12	2006	£000
			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	50269	50742
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	50269	50742

Guarantee Fund

Guarantee Fund requirement	21	10237	8756
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	40032	41986

Minimum capital requirement (MCR)

General insurance capital requirement	31	30710	26267
Base capital resources requirement	33	2139	1353
Individual minimum capital requirement	34	30710	26267
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34 + 35)	36	30710	26267
Excess (deficiency) of available capital resources to cover 50% of MCR	37	34914	37609
Excess (deficiency) of available capital resources to cover 75% of MCR	38	27237	31042

Capital resources requirement (CRR)

Capital resources requirement	41	30710	26267
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	19559	24475

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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

..... **Simon Machell** **Director**

..... **Jacqueline Hunt** **Director**

..... **Angela Seymour-Jackson** **Director**

London, 23rd March 2007

Components of capital resourcesName of insurer **Gresham Insurance Company Limited**

Global business

Financial year ending **31st December 2006**

		Company registration number	GL/UK/CM	Period ended			Units	
				day	month	year		
		R3	110410	GL	31	12	2006	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3			Total as at the end of the previous year 4	

Core tier one capital

Permanent share capital	11	61400		61400	61400
Profit and loss account and other reserves	12	(10020)		(10020)	(7413)
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19	51380		51380	53987

Tier one waivers

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

Other tier one capital

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

Total tier one capital before deductions (19+24+25+26+27+28)	31	51380		51380	53987
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35	343		343	3245
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37	343		343	3245
Total tier one capital after deductions (31-37)	39	51037		51037	50742

Components of capital resources

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ending **31st December 2006**

		Company registration number	GL/UK/CM	Period ended			Units	
				day	month	year		
		R3	110410	GL	31	12	2006	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3			Total as at the end of the previous year 4	

Tier two capital

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

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

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

Components of capital resourcesName of insurer **Gresham Insurance Company Limited**

Global business

Financial year ending **31st December 2006**

		Company registration number	GL/UK/CM	Period ended			Units	
				day	month	year		
		R3	110410	GL	31	12	2006	£000
		General insurance Business 1	Long-Term insurance Business 2	Total as at the end of this financial year 3			Total as at the end of the previous year 4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71						
Total capital resources before deductions (39+69+71)	72	51037				51037	50742
Inadmissible assets other than intangibles and own shares	73	768				768	
Assets in excess of market risk and counterparty limits	74						
Deductions for related ancillary services undertakings	75						
Deductions for regulated non-insurance related undertakings	76						
Deductions of ineligible surplus capital	77						
Total capital resources after deductions (72-73-74-75-76-77)	79	50269				50269	50742

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	50269				50269	50742
Available capital resources for 50% MCR requirement	82	50269				50269	50742
Available capital resources for 75% MCR requirement	83	50269				50269	50742

Financial engineering adjustments

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

Calculation of general insurance capital requirement - premiums amount and brought forward amountName of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

General insurance business

General insurance business		Company registration number	GL/UK/CM	Period ended			Units
				day	month	year	
				R11	110410	GL	
			This financial year 1		Previous year 2		
Gross premiums written		11	249814		160675		
Premium taxes and levies (included in line 11)		12			173		
Premiums written net of taxes and levies (11-12)		13	249814		160502		
Premiums for classes 11, 12 or 13 (included in line 13)		14					
Premiums for "actuarial health insurance" (included in line 13)		15					
Sub-total A (13 + 1/2 14 - 2/3 15)		16	249814		160502		
Gross premiums earned		21	201633		152485		
Premium taxes and levies (included in line 21)		22			173		
Premiums earned net of taxes and levies (21-22)		23	201633		152312		
Premiums for classes 11, 12 or 13 (included in line 23)		24					
Premiums for "actuarial health insurance" (included in line 23)		25					
Sub-total H (23 + 1/2 24 - 2/3 25)		26	201633		152312		
Sub-total I (higher of sub-total A and sub-total H)		30	249814		160502		
Adjusted Sub-total I 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	44967		28890		
	Excess (if any) over 53.1M EURO x 0.02	33	4286		2533		
Sub-total J (32-33)		34	40681		26357		
Claims paid in period of 3 financial years		41	285757		211277		
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	69692		50822		
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	38596		28661		
Sub-total C (41+42+43-44-45)		46	316853		233438		
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	77658		798		
Sub-total D (46-47)		48	239195		232640		
Reinsurance ratio (Sub-total D / sub-total C or, if more, 0.50 or, if less, 1.00)		49	0.75		1.00		
Premiums amount Sub-total J x reinsurance ratio		50	30710		26267		
Provisions for claims outstanding (before discounting and net of reinsurance)		51	30547		50690		
Brought forward amount (12.43.2 x 51.1 / 51.2 or, if less, 12.43.2)		52	15829		24272		
Greater of lines 50 and 52		53	30710		26267		

Calculation of general insurance capital requirement - claims amount and resultName of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

General insurance business

		Company registration number	GL/UK/CM	Period ended			Units	
		R12	110410	GL	31 day	12 month	2006 year	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R			11	36			36	
Claims paid in reference period			21	285757			211277	
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	69692			50822	
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	38596			28661	
Claims incurred in reference period (21+22+23-24-25)			26	316853			233438	
Claims incurred for classes 11, 12 or 13 (included in 26)			27					
Claims incurred for "actuarial health insurance" (included in 26)			28					
Sub-total E (26 + 1/2 27 - 2/3 28)			29	316853			233438	
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)			31	105618			77813	
Division of sub-total F (gross adjusted claims amount)	X 0.26		32	27461			20231	
	Excess (if any) over 37.2M EURO x 0.03		33	2422			1624	
Sub-total G (32 - 33)			39	25039			18607	
Claims amount Sub-total G x reinsurance ratio (11.49)			41	18902			18544	
Higher of premiums amount and brought forward amount (11.53)			42	30710			26267	
General insurance capital requirement (higher of lines 41 and 42)			43	30710			26267	

Analysis of admissible assetsName of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	110410	GL	31	12	2006	£000	1
Investments					As at the end of this financial year 1			As at the end of the previous year 2	
Land and buildings					11				
Investments in group undertakings and participating interests									
UK insurance dependants	shares				21				
	debts and loans				22				
Other insurance dependants	shares				23				
	debts and loans				24				
Non-insurance dependants	shares				25				
	debts and loans				26				
Other group undertakings	shares				27				
	debts and loans				28				
Participating interests	shares				29				
	debts and loans				30				
Other financial investments									
Equity shares					41				
Other shares and other variable yield participations					42				
Holdings in collective investment schemes					43				
Rights under derivative contracts					44				
Fixed interest securities	Approved				45	512			63234
	Other				46	26544			54133
Variable interest securities	Approved securities				47				
	Other				48				
Participation in investment pools					49				
Loans secured by mortgages					50				
Loans to public or local authorities and nationalised industries or undertakings					51				
Loans secured by policies of insurance issued by the company					52				
Other loans					53				
Bank and approved credit & financial institution deposits	One month or less withdrawal				54	118813			17528
	More than one month withdrawal				55				
Other financial investments					56				

Analysis of admissible assets

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

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

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	110410	GL	31 day	12 month	2006 year	£000	1
						As at the end of this financial year 1		As at the end of the previous year 2	
Deposits with ceding undertakings					57				
Assets held to match linked liabilities		Index linked			58				
		Property linked			59				
Reinsurers' share of technical provisions									
Provision for unearned premiums					60	135036			
Claims outstanding					61	39145		132	
Provision for unexpired risks					62				
Other					63				
Debtors and salvage									
Direct insurance business		Policyholders			71	105352		74257	
		Intermediaries			72	1546		16969	
Salvage and subrogation recoveries					73				
Reinsurance		Accepted			74			471	
		Ceded			75	1305			
Dependants		Due in 12 months or less			76				
		Due in more than 12 months			77				
Other		Due in 12 months or less			78			14301	
		Due in more than 12 months			79				
Other assets									
Tangible assets					80				
Deposits not subject to time restriction on withdrawal with approved institutions					81				
Cash in hand					82				
Other assets (particulars to be specified by way of supplementary note)					83				
Accrued interest and rent					84	827		1220	
Deferred acquisition costs (general business only)					85	43756		22295	
Other prepayments and accrued income					86				
Deductions from the aggregate value of assets					87				
Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)					89	472836		264540	

Analysis of admissible assets

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

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	2006	£000	1

As at the end of this financial year 1	As at the end of the previous year 2
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**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	472836	264540
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	768	
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	473604	264540

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102		267
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Liabilities (other than long term insurance business)

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	R15	110410	GL	31	12	2006	£000
			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	135036	86854
Claims outstanding	12	69692	50822
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	19665
Other gross technical provisions	16		
Total gross technical provisions (11 to 16)	19	224393	160243

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	31			
Creditors	Direct insurance business	41	683	10259
	Reinsurance accepted	42		
	Reinsurance ceded	43	96858	1969
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46	15930	1676	
Creditors	Taxation	47	5899	6758
	Declared dividend	48		
	Other	49	26552	26638
Accruals and deferred income	51	52252	6255	
Total (19 to 51)	59	422567	213798	
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69	422567	213798	

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71	17472	22352
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Reinsurers' share of DAC	81		
Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83	(343)	(3245)
Capital and reserves	84	51380	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	473604	264540

Profit and loss account (non-technical account)

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

			Company registration number	GL/UK/CM	Period ended			Units	
			R16	110410	GL	31	12	2006	£000
			This financial year			Previous year			
			1			2			
Transfer (to)/from the general insurance business technical account		From Form 20	11	(5674)			(18153)		
		Equalisation provisions	12	2902			(3245)		
Transfer from the long term insurance business revenue account			13						
Investment income	Income		14	5750			6563		
	Value re-adjustments on investments		15				1216		
	Gains on the realisation of investments		16	775					
Investment charges	Investment management charges, including interest		17	445			69		
	Value re-adjustments on investments		18	1162					
	Loss on the realisation of investments		19				836		
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	5350			735		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29	7496			(13789)		
Tax on profit or loss on ordinary activities			31	7201			(3131)		
Profit or loss on ordinary activities after tax (29-31)			39	295			(10658)		
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	295			(10658)		
Dividends (paid or declared)			51						
Profit or loss retained for the financial year (49-51)			59	295			(10658)		

General insurance business - summary of business carried onName of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

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	2006	£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
				Reported	Incurred but not reported		
			1	2	3		4
001	Total business	1	249814	57488	10243		135036
002	Total primary (direct) and facultative business	2	249814	57488	10243		135036
003	Total treaty reinsurance accepted business	3					
110	Total primary (direct) and facultative accident & health (category numbers 111 to 114)	4	6114	100	600		1515
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	33143	3653	96		17753
160	Primary (direct) and facultative household and domestic all risks.	6	208898	53702	9435		115268
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	1659	33	112		500
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					
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	249814	57488	10243		135036

General insurance business - summary of business carried on

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

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	2006	£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	
			1	Reported 2		Incurring but not reported 3	

PRIMARY (DIRECT) and FACULTATIVE PERSONAL LINES BUSINESS

111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23	6114	100	600	1515
114	Personal accident or sickness	24				
121	Private motor - comprehensive	25	27495	2742	83	15281
122	Private motor - non-comprehensive	26	5648	911	13	2472
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28	208898	53702	9435	115268
181	Assistance	29				
182	Creditor	30	1659	33	112	500
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				
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 2006**

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	2006	£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	
		1	Reported		Incurred but not reported		
			2		3		

PRIMARY (DIRECT) and FACULTATIVE: AVIATION, MARINE and TRANSPORT

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				

PRIMARY (DIRECT) and FACULTATIVE: MISCELLANEOUS

400	Miscellaneous primary (direct) and facultative business	72				
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NON-PROPORTIONAL TREATY

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				

PROPORTIONAL TREATY

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				

TREATY REINSURANCE: MISCELLANEOUS

700	Miscellaneous treaty reinsurance accepted business	101				
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TOTAL (lines 21 to 101)	111	249814	57488	10243	135036
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General insurance business : Technical account (excluding equalisation provisions)

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

FSA general insurance business reporting category

Total business

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R20	110410	GL	31 day	12 month	2006 year	£000	001
Items to be shown net of reinsurance					This financial year 1		Previous year 2		
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	86854		140515				
	Claims incurred (22. 17. 4)	12	55612		85610				
	Claims management costs (22. 18. 4)	13	5641		4347				
	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	22295		71540				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	3306		(20982)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	7331		(3223)				
	Claims management costs (22. 14. 4)	23	1649		394				
	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	(8980)		2829				
Balance from underwriting year accounting	Per Form 24 (24. 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	(5674)		(18153)				
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(5674)		(18153)				

General insurance business : Technical account (excluding equalisation provisions)

Printed 25th APR 07 at 13:17

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

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 day	12 month	2006 year	£000	002
Items to be shown net of reinsurance					This financial year 1		Previous year 2		
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	86854		140515				
	Claims incurred (22. 17. 4)	12	55612		85610				
	Claims management costs (22. 18. 4)	13	5641		4347				
	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	22295		71540				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	3306		(20982)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	7331		(3223)				
	Claims management costs (22. 14. 4)	23	1649		394				
	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	(8980)		2829				
Balance from underwriting year accounting	Per Form 24 (24. 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	(5674)		(18153)				
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(5674)		(18153)				

General insurance business : Technical account (excluding equalisation provisions)

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

FSA general insurance business reporting category

Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)

		Company registration number	GL/UK/CM	Period ended			Units	Category number	
		R20	110410	GL	31 day	12 month	2006 year	£000	120
Items to be shown net of reinsurance					This financial year 1		Previous year 2		
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	1331		155				
	Claims incurred (22. 17. 4)	12	1021		148				
	Claims management costs (22. 18. 4)	13	432						
	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	99		29				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(221)		(22)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	530						
	Claims management costs (22. 14. 4)	23	29						
	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	(559)						
Balance from underwriting year accounting	Per Form 24 (24. 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	(780)		(22)				
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(780)		(22)				

General insurance business : Technical account (excluding equalisation provisions)

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

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 day	12 month	2006 year	£000	160
Items to be shown net of reinsurance					This financial year 1		Previous year 2		
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	85202		137745				
	Claims incurred (22. 17. 4)	12	54247		85142				
	Claims management costs (22. 18. 4)	13	4526		4347				
	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	22137		70789				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	4292		(22533)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	6691		(3477)				
	Claims management costs (22. 14. 4)	23	1115		394				
	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	(7806)		3083				
Balance from underwriting year accounting	Per Form 24 (24. 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	(3514)		(19450)				
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(3514)		(19450)				

General insurance business : Technical account (excluding equalisation provisions)

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

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 day	12 month	2006 year	£000	409
Items to be shown net of reinsurance					This financial year 1		Previous year 2		
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	321		2615				
	Claims incurred (22. 17. 4)	12	344		320				
	Claims management costs (22. 18. 4)	13	683						
	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	59		722				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(765)		1573				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	110		254				
	Claims management costs (22. 14. 4)	23	505						
	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	(615)		(254)				
Balance from underwriting year accounting	Per Form 24 (24. 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	(1380)		1319				
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(1380)		1319				

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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**FSA general insurance business reporting category **Total business**

	Company registration number	GL/UK/CM	Period ended			Units	Category number
			day	month	year		
R21	110410	GL	31	12	2006	£000	001

Premiums receivable during the financial year			Gross premiums written		Reinsurers' share		Net of reinsurance	
			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
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	1970	20	1970	20		
	For periods of 12 months	14	112644	134770	112644	134770		
	For periods of more than 12 months	15	164	246	164	246		
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year			16	86854			86854	
Total (12 to 16)			19	201632	135036	114778	135036	86854

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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**FSA general insurance business reporting category **Total primary (direct) and facultative business**

	Company registration number	GL/UK/CM	Period ended			Units	Category number
			day	month	year		
R21	110410	GL	31	12	2006	£000	002

Premiums receivable during the financial year			Gross premiums written		Reinsurers' share		Net of reinsurance	
			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
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	1970	20	1970	20		
	For periods of 12 months	14	112644	134770	112644	134770		
	For periods of more than 12 months	15	164	246	164	246		
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year			16	86854			86854	
Total (12 to 16)			19	201632	135036	114778	135036	86854

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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**FSA general insurance business reporting category **Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)**

	Company registration number	GL/UK/CM	Period ended			Units	Category number
			day	month	year		
R21	110410	GL	31	12	2006	£000	120

Premiums receivable during the financial year			Gross premiums written		Reinsurers' share		Net of reinsurance	
			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
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						
	For periods of 12 months	14	15390	17753	15390	17753		
	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	1331				1331	
Total (12 to 16)		19	16721	17753	15390	17753	1331	

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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**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
			day	month	year		
R21	110410	GL	31	12	2006	£000	160

Premiums receivable during the financial year			Gross premiums written		Reinsurers' share		Net of reinsurance	
			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
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	93629	115268	93629	115268		
	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	85202				85202	
Total (12 to 16)		19	178832	115268	93630	115268	85202	

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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**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		
R21	110410	GL	31	12	2006	£000	409

Premiums receivable during the financial year			Gross premiums written		Reinsurers' share		Net of reinsurance	
			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
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	1969	20	1969	20		
	For periods of 12 months	14	3625	1749	3625	1749		
	For periods of more than 12 months	15	164	246	164	246		
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year			16	321			321	
Total (12 to 16)			19	6079	2015	5758	2015	321

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisionsName of insurer **Gresham Insurance Company Limited**

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Global business

Financial year ended **31st December 2006**FSA general insurance business reporting category **Total business**

			Company registration number	GL/UK/CM	Period ended			Units	Category Number	
			R22	110410	GL	31	12	2006	£000	001
				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	48860		41717		14564		7421	
	Reinsurers' share	12	132		83		139		90	
	Net (11-12)	13	48728		41634		14425		7331	
	Claims management costs	14	1962		3203		408		1649	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			79261		53166		132427	
	Reinsurers' share	16			37809		39006		76815	
	Net (15-16)	17			41452		14160		55612	
	Claims management costs	18			4087		1554		5641	
Provision for unexpired risks		19								
Net operating expenses	Commissions	21	16248		43957		21052		39153	
	Other acquisition expenses	22	6047						6047	
	Administrative expenses	23								
	Reinsurance commissions and profit participations	24			43957		21052		22905	
	Total (21+22+23-24)	29	22295						22295	
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	22295						22295	
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 provisionsName of insurer **Gresham Insurance Company Limited**

Printed 25th APR 07 at 13:18

Global business

Financial year ended **31st December 2006**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	2006	£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	48860		41717		14564		7421	
	Reinsurers' share	12	132		83		139		90	
	Net (11-12)	13	48728		41634		14425		7331	
	Claims management costs	14	1962		3203		408		1649	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			79261		53166		132427	
	Reinsurers' share	16			37809		39006		76815	
	Net (15-16)	17			41452		14160		55612	
	Claims management costs	18			4087		1554		5641	
Provision for unexpired risks		19								
Net operating expenses	Commissions	21	16248		43957		21052		39153	
	Other acquisition expenses	22	6047						6047	
	Administrative expenses	23								
	Reinsurance commissions and profit participations	24			43957		21052		22905	
	Total (21+22+23-24)	29	22295						22295	
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	22295						22295	
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 provisionsName of insurer **Gresham Insurance Company Limited**

Printed 25th APR 07 at 13:18

Global business

Financial year ended **31st December 2006**

FSA general insurance business reporting category

Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)

			Company registration number	GL/UK/CM	Period ended			Units	Category Number	
					day	month	year			
			R22	110410	GL	31	12	2006	£000	120
				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	146	75	601		530			
	Reinsurers' share	12								
	Net (11-12)	13	146	75	601		530			
	Claims management costs	14		11	18		29			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		3793	3148		6941			
	Reinsurers' share	16		3176	2744		5920			
	Net (15-16)	17		617	404		1021			
	Claims management costs	18		388	44		432			
Provision for unexpired risks		19								
Net operating expenses	Commissions	21	27	690	382		335			
	Other acquisition expenses	22	72				72			
	Administrative expenses	23								
	Reinsurance commissions and profit participations	24		690	382		308			
	Total (21+22+23-24)	29	99				99			
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	99				99			
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 provisionsName of insurer **Gresham Insurance Company Limited**

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Global business

Financial year ended **31st December 2006**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	
					day	month	year			
			R22	110410	GL	31	12	2006	£000	160
				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	47934	41637		13118		6821		
	Reinsurers' share	12	92	83		139		130		
	Net (11-12)	13	47842	41554		12979		6691		
	Claims management costs	14	1962	2687		390		1115		
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		75124		50018		125142		
	Reinsurers' share	16		34633		36262		70895		
	Net (15-16)	17		40491		13756		54247		
	Claims management costs	18		3016		1510		4526		
Provision for unexpired risks		19								
Net operating expenses	Commissions	21	16195	41509		20502		37202		
	Other acquisition expenses	22	5942					5942		
	Administrative expenses	23								
	Reinsurance commissions and profit participations	24		41509		20502		21007		
	Total (21+22+23-24)	29	22137					22137		
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	22137					22137		
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 provisionsName of insurer **Gresham Insurance Company Limited**

Printed 25th APR 07 at 13:18

Global business

Financial year ended **31st December 2006**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	
			R22	110410	GL	31 day	12 month	2006 year	£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	780		5		845		70	
	Reinsurers' share	12	40						(40)	
	Net (11-12)	13	740		5		845		110	
	Claims management costs	14			505				505	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			344				344	
	Reinsurers' share	16								
	Net (15-16)	17			344				344	
	Claims management costs	18			683				683	
Provision for unexpired risks		19								
Net operating expenses	Commissions	21	26		1758		168		1616	
	Other acquisition expenses	22	33						33	
	Administrative expenses	23								
	Reinsurance commissions and profit participations	24			1758		168		1590	
	Total (21+22+23-24)	29	59						59	
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	59						59	
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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**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	2006	11				41452	12845	1315			55612		86854		64.0
12	2005	12	53619	31991		34161	4949	470	27321	4670	7589		140515	23.7	66.3
12	2004	13	47607	31792	21765	4525	3517	801	7114	695	1034		134003	(3.7)	58.4
12	2003	14	32929	28704	19544	2296	2997	10	6281	38	(1016)		113995	(13.4)	50.7
12	2002	15	27076	17240	16672	244	298	1	1257	6	(720)		75520	(0.1)	58.6
12	2001	16	24066	17410	14413	100	340	1	626	2	(187)		77500	(14.7)	50.2
12	2000	17	25117	24106	22020	223	348	11	146	1	435		79583	(6.2)	60.0
12	1999	18	25834	24208	20562	33	338		110		261		85210	(13.5)	54.9
12	1998	19	29060	25679	24182	49	84	187	447		(127)		93062	(4.6)	57.6
12	1997	20	25169	22818	20864	3	52		17		38		93712	(8.3)	49.2
Prior accident years		21					21		(3)		24				
Reconciliation		22													
Total (11 to 22)		29				83086	25789	2796	43316	5412	62943				

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

Printed 25th APR 07 at 13:18

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**FSA general insurance business reporting category **Total primary (direct) and facultative business**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

Category
number

R23	110410	GL	31	12	2006	£000	002
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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 %
Month	Year		1	2	3	4	5	6	7	8	9	10	11	12	13
12	2006	11				41452	12845	1315			55612		86854		64.0
12	2005	12	53619	31991		34161	4949	470	27321	4670	7589		140515	23.7	66.3
12	2004	13	47607	31792	21765	4525	3517	801	7114	695	1034		134003	(3.7)	58.4
12	2003	14	32929	28704	19544	2296	2997	10	6281	38	(1016)		113995	(13.4)	50.7
12	2002	15	27076	17240	16672	244	298	1	1257	6	(720)		75520	(0.1)	58.6
12	2001	16	24066	17410	14413	100	340	1	626	2	(187)		77500	(14.7)	50.2
12	2000	17	25117	24106	22020	223	348	11	146	1	435		79583	(6.2)	60.0
12	1999	18	25834	24208	20562	33	338		110		261		85210	(13.5)	54.9
12	1998	19	29060	25679	24182	49	84	187	447		(127)		93062	(4.6)	57.6
12	1997	20	25169	22818	20864	3	52		17		38		93712	(8.3)	49.2
Prior accident years		21					21		(3)		24				
Reconciliation		22													
Total (11 to 22)		29				83086	25789	2796	43316	5412	62943				

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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

FSA general insurance business reporting category

Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)Company
registration
number

GL/UK/CM

Period ended
day month year

Units

Category
number

R23	110410	GL	31	12	2006	£000	120
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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 %
Month	Year						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2006	11				617	389	15			1021		1331		76.7
12	2005	12	2	146		75	599	2	117	29	530		160	363.0	423.8
		13													
		14													
		15													
		16													
		17													
		18													
		19													
		20													
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				692	988	17	117	29	1551				

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

Printed 25th APR 07 at 13:18

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**FSA general insurance business reporting category **Primary (direct) and facultative household and domestic all risks.**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

Category
number

R23	110410	GL	31	12	2006	£000	160
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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 %
Month	Year		1	2	3	4	5	6	7	8	9	10	11	12	13
12	2006	11				40491	12456	1300			54247		85202		63.7
12	2005	12	53297	31845		34086	4350	468	27204	4641	7059		137745	22.2	66.9
12	2004	13	47266	31254	21620	4523	3384	89	6937	132	927		130790	(5.2)	58.8
12	2003	14	32461	27775	19171	2293	2997	10	6281	38	(1019)		109200	(11.9)	52.1
12	2002	15	26808	16502	15936	244	298	1	1257	6	(720)		72680	(0.1)	59.6
12	2001	16	23695	16501	13588	100	340	1	626	2	(187)		73477	(15.0)	51.3
12	2000	17	24840	23456	21762	223	348	11	146	1	435		76936	(4.7)	61.3
12	1999	18	25819	24058	20551	33	338		110		261		85035	(13.0)	55.0
12	1998	19	29060	25679	24182	49	84	187	447		(127)		93062	(4.6)	57.6
12	1997	20	25169	22818	20864	3	52		17		38		93712	(8.3)	49.2
Prior accident years		21					21		(3)		24				
Reconciliation		22													
Total (11 to 22)		29				82045	24668	2067	43022	4820	60938				

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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**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	2006	11				344					344		321		107.2
12	2005	12	320										2610		12.3
12	2004	13	341	538	145	2	133	712	177	563	107		3213	84.4	41.5
12	2003	14	468	929	373	3					3		4795	(59.5)	17.6
12	2002	15	268	738	736								2840	(0.3)	35.4
12	2001	16	371	909	825								4023	(9.2)	29.7
12	2000	17	277	650	258								2647	(60.3)	20.2
12	1999	18	15	150	11								175	(92.7)	14.9
12	1998	19													
12	1997	20													
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				349	133	712	177	563	454				

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

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Name of insurer **Gresham Insurance Company Limited**Currency **British pound**

Global business

Reporting Territory **United Kingdom**Financial year ended **31st December 2006**

FSA general insurance business reporting category

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

Accident year ended			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			
Month	Year		1	2	3	4	5	6	7	8	9	10	11
12	2006	11	73063	27235		75124	41350	8668			125142	178832	70.0
12	2005	12	81702	1698	53297	34170	4490	468	27204	4641	7283	149711	61.7
12	2004	13	68295	1675	69624	4523	3384	89	7029	132	835	140057	55.4
12	2003	14	45269	1576	51632	2293	2997	10	6281	38	(1019)	115388	49.4
12	2002	15	37629	1027	42744	244	298	1	1257	6	(720)	77048	56.2
12	2001	16	32146	691	37283	100	340	1	626	2	(187)	77261	48.8
12	2000	17	42763	191	46602	223	348	11	146	1	435	80487	58.6
12	1999	18	48660	28	46370	33	338		110		261	89289	52.3
12	1998	19	59716	6	53242	49	84	187	447		(127)	97496	54.9
12	1997	20	49134	4	46033	3	52		17		38	99112	46.5
Prior accident years		21					21		(3)		24		
Total (11 to 21)		29		34131		116762	53702	9435	43114	4820	131965		
Line 29 expressed in sterling		30				116762	53702	9435	43114	4820	131965		

General insurance business (accident year accounting) : Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsuranceName of insurer **Gresham Insurance Company Limited**Currency **British pound**

Global business

Financial year ended **31st December 2006**Reporting Territory **United Kingdom**

FSA general insurance business reporting category

Private motor - comprehensive

Private motor - comprehensive															Company registration number	GL/UK/CM	Period ended			Monetary units	Category number	Currency code	Reporting territory code	
															R32	110410	GL	31	12	2006	000	121	GBP	AA
Accident year ended			Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %									
Month	Year		Closed at some cost during this or previous 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	13									
12	2006	11	4143	776		3128	2156	81			5365	13325	40.3	47	10.5									
12	2005	12	85	9	2	69	586	2	102	26	529	138	477.5	1	9.4									
		13																						
		14																						
		15																						
		16																						
		17																						
		18																						
		19																						
		20																						
Prior accident years		21																						
Total (11 to 21)		29		785		3197	2742	83	102	26	5894													
Line 29 expressed in sterling		30				3197	2742	83	102	26	5894													

Equalisation provisionsName of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**

					Company registration number	GL/UK/CM	Period ended			Units	
					R37	110410	GL	31	12	2006	£000
					Business grouping D (nuclear)	Business grouping E (non- proportional treaty)	All business		Credit insurance business		
Calculation of the maximum provision					1	2	3	4	5	6	7
Total net premiums written in the previous 4 years	11	491636									
Net premiums written in the current year	12										
Maximum provision	13	19665						19665			

Calculation of the transfer to/from the provision

Equalisation provision brought forward	21							22567	
Transfers in	22								
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							22567	
Excess, if any, of 26 over 13	27							2902	
Equalisation provision carried forward (26-27)	28							19665	
Transfer in/(out) for financial year (28-21)	29							(2902)	

Equalisation provisions technical account : Accident year accounting

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2006**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

R38	110410	GL	31	12	2006	£000
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		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
Other than credit business						
Net premiums earned	11	85202				
Claims incurred net of reinsurance	12	60938				
Trigger claims value	13	61771				
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 2006**

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	Fellow group undertaking from 31 March 2005		699	(8)			
Lloyd's 1 Lime Street London, EC3M 7HA			1,728	236			
International Property Catastrophe Reinsurance Ltd 29 Richmond Road Pembroke HM08 Bermuda			658	(35)			
Endurance Specialty Insurance Company Wellesley House 90 Pitts Bay Road Pembroke HN08 Bermuda			241	(15)			
Ace Tempest Reinsurance Ltd 30 Woodbourne Avenue Hamilton HM 08 Bermuda			452	42			
Aviva Re Limited, Cannon's Court 22 Victoria Street Hamilton HM 12 Bermuda			2,289	(62)			
General Reinsurance UK Limited Corn Exchange 55 Mark Lane London EC3R 7NE			403	(50)			
Swiss Re UK 30 St Mary Axe London EC3A 8EP			1,107	149			
Munich Reinsurance Co. 107 Koeniginstrasse, Munich, Germany			903	185			
Renaissance Reinsurance Ltd., Renaissance House, East Broadway, PO Box HM 2527, Hamilton HMGX, Bermuda			835	231			

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2006**

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
Platinum Re (UK) Ltd, St Clare House, 30 – 33 Minories London EC3N 1DD Legal & General Assurance Society Ltd., Temple Court, 11 Queen Victoria Street, London EC4N 4TP Aviva International Insurance Ltd 1 Undershaft St Helens London EC3P 3DQ	Parent undertaking	235,667				39,005	

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2006**

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 2006**

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 2006**

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. They must not be used for speculative purposes, and 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 approved by the Norwich Union Investment Committee. For over the counter contracts, transactions must only be transacted with approved counterparties.

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 2006, 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 2006, 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 INSPRU 3.2.17R
- 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 2006**

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

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

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

100% of the issued ordinary share capital of Aviva Group Holdings Limited has been held throughout the year by Aviva plc, which also controls 100% of the voting rights.

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Sheet 1

Global business

Financial year ended **31st December 2006**

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.

Type of Business Covered:	Household, Creditor, Motor and Travel
Type of Cover:	Quota Share Contract
Business Reinsured:	UK- Barclays/Gresham Corporate Partners Portfolio
Details:	100% Quota Share
Comments:	Cedes all business written by Gresham
Period of Cover:	01/01/2006 – Rolling contract with termination no earlier than 31 st December 2006.

Maximum Net Probable Loss = £0m

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Sheet 2

Global business

Financial year ended **31st December 2006**

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

The Gresham portfolio also benefits from the following XoL programmes which protect against losses arising from this portfolio

Group Catastrophe XoL Reinsurance Programme

Type of Business Covered: Personal and Commercial Property

Type of Cover: Property Catastrophe Per Event Excess of Loss cover

Business Reinsured: UK companies and branches

Details:

From Ground up Cover -	UK
Deductible -	£1,800m
Reinstatements -	£270m
	1

Comments - The only exclusion to this cover is the business generated by the Saga Corporate Partnership relationship which has separate Catastrophe cover detailed below. Reinstatement Premium Protection is in place

Period of Cover: 01/04/2006 - 31/03/2007

UK Casualty - Motor

Type of Business Covered: Motor

Type of Cover: Casualty Excess of Loss Programme

Business Reinsured UK companies and branches

Details:

From Ground up Cover -	Unlimited
Deductible -	£10m
Reinstatements -	Unlimited

Comments - None

Period of Cover: - 01/07/2006 - 30/06/2007

Name of insurer

GRESHAM INSURANCE COMPANY LIMITED

Sheet 3

Global business

Financial year ended

31st December 2006

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

UK Casualty – Employers Liability/Public Liability

Type of Business Covered:	Employers' Liability, Public and Products Liability
Type of Cover:	Casualty Excess of Loss Programme
Business Reinsured	UK companies and branches
Details:	
From Ground up Cover -	£50m
Deductible -	£10m
Reinstatements -	Employers' Liability = 3 Public Liability = 2
Comments -	An 'Employers Liability Facility' also exists to provide a further £15m of cover on a facultative obligatory basis.
Period of Cover:	01/07/2006 – 30/06/2007

UK Casualty - Fidelity

Type of Business Covered:	Fidelity Liability
Type of Cover:	Casualty Excess of Loss Programme
Business Reinsured	UK companies and branches
Details:	
From Ground up Cover -	£25m
Deductible -	£10m
Reinstatements -	2
Comments -	None
Period of Cover:	01/07/2006 - 30/06/2007

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Sheet 4

Global business

Financial year ended **31st December 2006**

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

UK Casualty – Personal Accident

Type of Business Covered: Personal Accident, Sickness and Travel

Type of Cover: Casualty Excess of Loss Programme

Business Reinsured UK companies and branches

Details:

From Ground up Cover - £25m

Deductible - £10m

Reinstatements - 1

Comments - None

Period of Cover: - 01/07/2006 - 30/06/2007

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	Nil	Nil

Reinsurers' share of gross premiums

Business reporting category	Facultative premiums £'000	Non-facultative premiums £'000
Household and domestic all risks	Nil	5,706
All risks quota share	Nil	235,667

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2006**

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

It is the Company's policy to review all its reinsurance contracts to determine whether they meet the criteria under International Accounting Standard 39 to be classified as financial assets.

In carrying out that review the Company has determined that there are no contracts where:-

- a) the value placed on future payments in respect of the contract in the return for the financial year is not commensurate with the economic value provided by that contract, after taking account of the level of risk transferred; or
- b) there are terms or foreseeable contingencies (other than the insured event) that have the potential to affect materially the value placed on the contract in the insurer's balance sheet at, or any time after, the end of the financial year.

Supplementary Notes to the ReturnsName of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2006*****0301* Reconciliation**

	2006 £000	2005 £000
Form 13, Line 89	473,604	264,540
Less		
Form 15, Line 69	422,567	213,798
	<hr/>	<hr/>
Net admissible assets	51,037	50,742
	<hr/>	<hr/>
Capital resources		
Form 3, Line 79	51,037	50,742
	<hr/>	<hr/>

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

The Company prepared its 2006 annual statutory financial statements in accordance with International Financial Reporting Standards (IFRS). Those financial statements do not include a claims equalisation provision (CEP) in liabilities (of £19,665k) but instead include a profit commission expense (of £19,322k) to a third party payable as a result of the release of the CEP under IFRS. Consequently, in line 35 of Form 3 and line 83 of Form 15 there is a negative valuation difference of £343k in respect of the net impact of these adjustments, being the difference in the year-end CEP 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.

***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 2006**

***1314* Leased Assets**

There were no tangible leased assets included at line 80 of Form 13 (2005 - nil).

***1318* Other Asset Adjustments**

The amount in line 100 of Form 13 of £768k relates to "other debtors" and therefore no value has been attributed to them.

***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 GENPRU 1.3.30R to 1.3.33R or INSPRU 3.2.17R to 3.2.18R. 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 (2005 - £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.

***1603* Other Income**

Line 21 of Form 16 represents domestic emergency cover collected on behalf of a third party, for which a profit element is retained.

***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 ReturnsName of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2006*****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.

***20Af* Analyses of Mixed Risk Categories**

There are no amounts reported under risk category number 274 and 343. In respect of risk category 113 (travel) the estimated analyses by class are:

Groups of classes	Gross premium written £000	Provision for undiscounted gross claims		Provision for gross unearned premium £000
		Reported £000	IBNR £000	
TRAVEL				
Accident and Health	3,057	50	300	758
Fire and other damage to property	1,223	20	120	302
Classes 16, 17 and 18 combined	1,834	30	180	455
Total	6,114	100	600	1515

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

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

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

The Company is not authorised to write class 6 (ships). It has never written classes 4 (railway rolling stock), 5 (aircraft), 11 (aircraft liability) and 15 (suretyship). In respect of authorisation class 12 (liability for ships), no new contracts of insurance have been effected by the Company since December 1986. In respect of authorisation class 14 (credit), no new contracts of insurance have been effected by the Company since May 2000. It currently writes elements of all other classes.

Supplementary Notes to the Returns

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2006**

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

The Company has been funded by its parent undertaking, Aviva International Insurance Limited, and by a fellow Group undertaking, Norwich Union Insurance Limited through the settlement of certain of its expenses during the year. At the year-end the balances owed were £17,472k and £44k respectively. The maximum amounts owed to each during the year were £19,755k and £65,891k.

The Company has ceded 100% of the net premiums, claims and expenses of its policies inception since 1st January 2006 to its parent undertaking, Aviva International Insurance Limited. The premiums amounted to £235,607k. Details of recoveries are set out on page 41.

***2102* Unearned Premiums**

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

***2202* 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* 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* 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 2006 or 2005.

Certificate required by rule 9.34(1) of the Accounts and Statements Rules

Name of insurer **GRESHAM INSURANCE COMPANY LIMITED**

Global business

Financial year ended **31st December 2006**

We certify

- a. that the return has been properly prepared in accordance with the requirements in *IPRU(INS)*, *GENPRU* and *INSPRU*; 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 either *PRU* or *GENPRU* and *INSPRU* as applicable ; and
 - (ii) it is reasonable to believe that the Company has continued so to comply subsequently, and will continue so to comply in future.

Simon Machell
Director

Jacqueline Hunt
Director

Angela Seymour-Jackson
Director

London
23rd March 2007

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 2006**

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, the General Prudential Sourcebook and the Prudential Sourcebook for Insurers ("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, 32, 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 40 to 44 ("the statements").

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

- the statements required by rules 9.30, 9.32 and 9.32A on pages 45 to 50; and
- the certificate signed in accordance with rule 9.34(1) on page 55.

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 opinion 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 (revised)" 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 26th March 2007. 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 2006**

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
26th March 2007