

Gresham Insurance Company Limited

**Annual FSA Insurance Returns for the year ended
31st December 2008**



(Appendices 9.1, 9.2, 9.5, 9.6)

Gresham Insurance Company Limited

Year ended 31st December 2008

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Statement of solvency - general insurance business

Form 1

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

Solo solvency calculation

	Company registration number	GL/UK/CM	day	month	year	units	
	R1	110410	GL	31	12	2008	£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	70062	58916
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover general insurance business capital resources requirement (11-12)	13	70062	58916

Guarantee fund

Guarantee fund requirement	21	7997	7363
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	62065	51553

Minimum capital requirement (MCR)

General insurance capital requirement	31	23990	22088
Base capital resources requirement	33	2518	2231
Individual minimum capital requirement	34	23990	22088
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	23990	22088
Excess (deficiency) of available capital resources to cover 50% of MCR	37	58067	47872
Excess (deficiency) of available capital resources to cover 75% of MCR	38	52069	42350

Capital resources requirement (CRR)

Capital resources requirement	41	23990	22088
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	46072	36828

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

Form 1

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**



..... David Watson

Director



..... Igal Mayer

Chief Executive Officer



..... John Kitson

Director

Norwich, 19th March 2009

Components of capital resources**Form 3
(Sheet 1)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

	Company registration number	GL/UK/CM	day	month	year	units	
	R3	110410	GL	31	12	2008	£000
	1	2	3			4	
	General insurance business	Long-term insurance business	Total as at the end of this financial year			Total as at the end of the previous year	
Core tier one capital							
Permanent share capital	11	61400			61400	61400	
Profit and loss account and other reserves	12	8662			8662	(1883)	
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	70062			70062	59517	
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	70062			70062	59517	
Investments in own shares	32						
Intangible assets	33						
Amounts deducted from technical provisions for discounting	34						
Other negative valuation differences	35						
Deductions in related undertakings	36						
Deductions from tier one (32 to 36)	37						
Total tier one capital after deductions (31-37)	39	70062			70062	59517	

Components of capital resources**Form 3
(Sheet 2)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R3	110410	GL	31	12	2008	£000
	General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year			
	1	2	3	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 resources**Form 3
(Sheet 3)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R3	110410	GL	31	12	2008	£000
	General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year			
	1	2	3	4			

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71					
Total capital resources before deductions (39+69+71)	72	70062		70062		59517
Inadmissible assets other than intangibles and own shares	73					601
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	70062		70062		58916

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	70062		70062		58916
Available capital resources for 50% MCR requirement	82	70062		70062		58916
Available capital resources for 75% MCR requirement	83	70062		70062		58916

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 amount
Form 11

 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2008**

General Insurance Business

	Company registration number	GL/UK/CM	day	month	year	units	
	R11	110410	GL	31	12	2008	£000
			This financial year		Previous year		
			1		2		
Gross premiums written	11		269148			272710	
Premiums taxes and levies (included in line 11)	12		942			1244	
Premiums written net of taxes and levies (11-12)	13		268206			271466	
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		268206			271466	
Gross premiums earned	21		271075			261455	
Premium taxes and levies (included in line 21)	22		942			1244	
Premiums earned net of taxes and levies (21-22)	23		270133			260211	
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		270133			260211	
Sub-total I (higher of sub-total A and sub-total H)	30		270133			271466	
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	48624			48864	
	Excess (if any) over 53.1M EURO x 0.02	33	4567			4689	
Sub-total J (32-33)	34		44057			44175	
Claims paid in period of 3 financial years	41		569266			442741	
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	95932			108899	
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	50822			49005	
Sub-total C (41+42+43-44-45)	46		614376			502635	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C	47		540008			342476	
Sub-total D (46-47)	48		74368			160159	
Reinsurance ratio (Sub-total D / sub-total C or, if more, 0.50 or, if less, 1.00)	49		0.50			0.50	
Premiums amount (Sub-total J x reinsurance ratio)	50		22029			22088	
Provisions for claims outstanding (before discounting and net of reinsurance)	51		11457			16660	
Provisions for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero	52						
Brought forward amount (see instruction 4)	53		15190			16749	
Greater of lines 50 and 53	54		22029			22088	

Calculation of general insurance capital requirement - claims amount and result

Form 12

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

General Insurance Business

		Company registration number	GL/ UK/ CM	day	month	year	units	
		R12	110410	GL	31	12	2008	£000
				This financial year		Previous year		
				1		2		
Reference period (No. of months) See <i>INSPRU</i> 1.1.63R		11		36		36		
Claims paid in reference period		21		569266		442741		
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		95932		108899		
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		50822		49005		
Claims incurred in reference period (21+22+23-24-25)		26		614376		502635		
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		614376		502635		
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in reference period)		31		204792		167545		
Division of sub-total F (gross adjusted claims amount)	X 0.26	32		53246		43562		
	Excess (if any) over 37.2M EURO x 0.03	33		5266		4248		
Sub-total G (32 - 33)		39		47980		39314		
Claims amount Sub-total G x reinsurance ratio (11.49)		41		23990		19657		
Higher of premiums amount and brought forward amount (11.54)		42		22029		22088		
General insurance capital requirement (higher of lines 41 and 42)		43		23990		22088		

Analysis of admissible assets**Form 13
(Sheet 1)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**Category of assets **Total other than Long-Term Insurance Business Assets**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	110410	GL	31	12	2008	£000	1
						As at end of this financial year	As at end of the previous year	
						1	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		29800
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	6100
Variable interest securities	Approved	47	
	Other	48	32672
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	22566
	More than one month withdrawal	55	21111
Other financial investments	56		

Analysis of admissible assets**Form 13
(Sheet 2)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**Category of assets **Total other than Long-Term Insurance Business Assets**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
	R13	110410	31	12	2008	£000	1
						As at end of this financial year 1	As at 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	144364	146292
Claims outstanding	61	84475	92239
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	124648	126262
	Intermediaries	72		3910
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	10817	3216
Dependants	Due in 12 months or less	76		
	Due in more than 12 months	77		
Other	Due in 12 months or less	78	3553	
	Due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81		4333
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		721
Deferred acquisition costs (general business only)	85	33839	40489
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	424262	507145
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Analysis of admissible assets**Form 13
(Sheet 3)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**Category of assets **Total other than Long-Term Insurance Business Assets**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	110410	GL	31	12	2008	£000	1
						As at end of this financial year	As at 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 admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	424262	507145
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		601
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
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 101)	102	424262	507746
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103	321	

Liabilities (other than long-term insurance business)**Form 15**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R15	110410	GL	31	12	2008	£000
					As at the end of this financial year	As at the end of the previous year	
					1	2	

Technical provisions (gross amount)

Provision for unearned premiums	11	144364	146292
Claims outstanding	12	95932	108899
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	11612 16901
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19	251908	272092

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	31			
Creditors	Direct insurance business	41	10039	15002
	Reinsurance accepted	42		
	Reinsurance ceded	43	893	43877
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46		10527	
Creditors	Taxation	47	8931	8965
	Foreseeable dividend	48		
	Other	49	33091	43375
Accruals and deferred income	51	49338	54391	
Total (19 to 51)	59	354200	448229	
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69	354200	448229	

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71	15327	28325
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83		
Capital and reserves	84	70062	59517
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	424262	507746

Profit and loss account (non-technical account)**Form 16**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

		Company registration number	GL/ UK/ CM	day	month	year	units	
		R16	110410	GL	31	12	2008	£000
				This financial year		Previous year		
				1		2		
Transfer (to) / from the general insurance business technical account	From Form 20	11		832		1176		
	Equalisation provisions	12		5289		2764		
Transfer from the long term insurance business revenue account		13						
Investment income	Income	14		3363		6445		
	Value re-adjustments on investments	15		96				
	Gains on the realisation of investments	16				21		
Investment charges	Investment management charges, including interest	17		355		37		
	Value re-adjustments on investments	18				177		
	Loss on the realisation of investments	19		433				
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		11156		3775		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29		19948		13967		
Tax on profit or loss on ordinary activities		31		4114		3066		
Profit or loss on ordinary activities after tax (29-31)		39		15834		10901		
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41		(5289)		(2421)		
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		10545		8480		
Dividends (paid or foreseeable)		51						
Profit or loss retained for the financial year (49-51)		59		10545		8480		

General insurance business - summary of business carried on

Form 20A
(Sheet 1)Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day	month	year	units
				R20A	110410	GL	31
				Provision for undiscounted gross claims outstanding at the end of this financial year			
				Reported	Incurred but not reported		
		1		2	3		4
001	Total business	1	269148	85821	7955		144364
002	Total primary (direct) and facultative business	2	269148	85821	7955		144364
003	Total treaty reinsurance accepted business	3					
110	Total primary (direct) and facultative accident & health (category numbers 111 to 114)	4	4015	520	40		819
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	21867	20589	2373		10107
160	Primary (direct) and facultative household and domestic all risks.	6	238453	63642	4450		131282
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	1047	133	712		390
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8	31	2			8
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9	575	149	44		261
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10	3153	785	336		1493
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11	4				2
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	3	1			2
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	269148	85821	7955		144364

General insurance business - summary of business carried on**Form 20A
(Sheet 2)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day	month	year	units
				R20A	110410	GL	31
		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

PRIMARY (DIRECT) and FACULTATIVE PERSONAL LINES BUSINESS

111	Medical insurance	21					
112	HealthCare cash plans	22					
113	Travel	23	3954	520		40	791
114	Personal accident or sickness	24	61				28
121	Private motor - comprehensive	25	21116	14663		2265	9813
122	Private motor - non-comprehensive	26	751	5926		108	294
123	Motor cycle	27					
160	Household and domestic all risks (equals line 6)	28	238453	63642		4450	131282
181	Assistance	29					
182	Creditor	30	1047	133		712	390
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	31	2			8
222	Commercial vehicles (non-fleet)	42					
223	Motor other	43					
261	Commercial property	44	486	126		37	220
262	Consequential loss	45	73	19		6	34
263	Contractors or engineering all risks	46	16	4		1	7
271	Employers liability	47	277	63		43	123
272	Professional indemnity	48					
273	Public and products liability	49	943	211		146	433
274	Mixed commercial package	50	1933	511		147	937
281	Fidelity and contract guarantee	51					
282	Credit	52					
283	Suretyship	53	4				2
284	Commercial contingency	54					

General insurance business - summary of business carried on**Form 20A
(Sheet 3)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

		Company registration number	GL/ UK/ CM	day	month	year	units	
		R20A	110410	GL	31	12	2008	£000
Category number	FSA return general insurance business reporting category	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			

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	3	1		2
350	Total primary (direct) and facultative goods in transit (equals line 14)	71				

PRIMARY (DIRECT) and FACULTATIVE: MISCELLANEOUS

400	Miscellaneous primary (direct) and facultative business (equals line 15)	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	269148	85821	7955	144364
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General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total Business

		Company registration number	GL/UK/CM	day	month	year	units	Category number	
		R20	110410	GL	31	12	2008	£000	001
Items to be shown net of reinsurance						This financial year	Previous year		
						1	2		
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	2169	3974					
	Claims incurred (22. 17. 4)	12							
	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							
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	2169	3974					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	1018	3294					
	Claims management costs (22. 14. 4)	23	319	(496)					
	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	(1337)	(2798)					
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	832	1176					
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	832	1176					

General insurance business: Technical account (excluding equalisation provisions)**Form 20**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total Primary (Direct) and Facultative Business

		Company registration number	GL/ UK/ CM	day	month	year	units	Category number	
		R20	110410	GL	31	12	2008	£000	002
Items to be shown net of reinsurance						This financial year	Previous year		
						1	2		
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	2169	3974					
	Claims incurred (22. 17. 4)	12							
	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							
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	2169	3974					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	1018	3294					
	Claims management costs (22. 14. 4)	23	319	(496)					
	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	(1337)	(2798)					
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	832	1176			
Allocated investment return				51					
Transfer to non-technical account (49+51)				59	832	1176			

General insurance business: Technical account (excluding equalisation provisions)**Form 20**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total primary (direct) and facultative personal motor business

		Company registration number	GL/ UK/ CM	day	month	year	units	Category number	
		R20	110410	GL	31	12	2008	£000	120
Items to be shown net of reinsurance						This financial year	Previous year		
						1	2		
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	194	521					
	Claims incurred (22. 17. 4)	12							
	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							
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	194	521					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	(1789)	8716					
	Claims management costs (22. 14. 4)	23	198	155					
	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	1591	(8871)						
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	1785	(8350)					
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	1785	(8350)					

General insurance business: Technical account (excluding equalisation provisions)**Form 20**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

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

		Company registration number	GL/ UK/ CM	day	month	year	units	Category number	
		R20	110410	GL	31	12	2008	£000	160
Items to be shown net of reinsurance						This financial year	Previous year		
						1	2		
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)	11	1906	3338					
	Claims incurred (22. 17. 4)	12							
	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							
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	1906	3338					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	2697	(6574)					
	Claims management costs (22. 14. 4)	23	99	(1337)					
	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	(2796)	7911					
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	(890)	11249			
Allocated investment return				51					
Transfer to non-technical account (49+51)				59	(890)	11249			

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Balance of all primary (direct) and facultative business

	Company registration number	GL/UK/CM	day	month	year	units	Category number	
	R20	110410	GL	31	12	2008	£000	409
Items to be shown net of reinsurance						This financial year	Previous year	
						1	2	
This year's underwriting (accident year accounting)	Earned premium (21. 19. 5)		11			69		115
	Claims incurred (22. 17. 4)		12					
	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					
	Balance of year's underwriting (11-12-13+14-15+16-17)		19				69	115
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)		21					
	Claims incurred (22. 13. 4)		22			110		1152
	Claims management costs (22. 14. 4)		23			22		686
	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				(132)	(1838)	
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				(63)	(1723)	
Allocated investment return		51						
Transfer to non-technical account (49+51)		59				(63)	(1723)	

General insurance business (accident year accounting): Analysis of premiums**Form 21**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total Business

Company registration number	GL/UK/CM	day	month	year	units	Category number	
R21	110410	GL	31	12	2008	£000	001

Premiums receivable during the financial year	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		
In respect of risks incepted in previous financial years	11	262		262			
	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	
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	12597	544	12597	544	
	For periods of 12 months	14	111922	143802	109753	143802	2169
	For periods of more than 12 months	15	3	18	3	18	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	146291		146291			
Total (12 to 16)	19	270813	144364	268644	144364	2169	

General insurance business (accident year accounting): Analysis of premiums**Form 21**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total Primary (Direct) and Facultative Business

		Company registration number	GL/UK/CM	day	month	year	units	Category number	
		R21	110410	GL	31	12	2008	£000	002
Premiums receivable during the financial year		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			
In respect of risks incepted in previous financial years		11	262	262					
			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	
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	12597	544	12597	544			
	For periods of 12 months	14	111922	143802	109753	143802	2169		
	For periods of more than 12 months	15	3	18	3	18			
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	146291		146291				
Total (12 to 16)		19	270813	144364	268644	144364	2169		

General insurance business (accident year accounting): Analysis of premiums**Form 21**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total primary (direct) and facultative personal motor business

		Company registration number	GL/UK/CM	day	month	year	units	Category number	
		R21	110410	GL	31	12	2008	£000	120
Premiums receivable during the financial year		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			
In respect of risks incepted in previous financial years		11	1542	1542					
		1	2	3	4	5	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	10218	10107	10024	10107	194		
	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	13058	13058					
Total (12 to 16)		19	23276	10107	23082	10107	194		

General insurance business (accident year accounting): Analysis of premiums**Form 21**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

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

Company registration number	GL/UK/CM	day	month	year	units	Category number	
R21	110410	GL	31	12	2008	£000	160

Premiums receivable during the financial year	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		
In respect of risks incepted in previous financial years	11	(1280)	(1280)				
	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	
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	11446	477	11446	477	
	For periods of 12 months	14	97005	130805	95099	130805	1906
	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	130868		130868			
Total (12 to 16)	19	239319	131282	237413	131282	1906	

General insurance business (accident year accounting): Analysis of premiums**Form 21**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Balance of all primary (direct) and facultative business

		Company registration number	GL/UK/CM	day	month	year	units	Category number	
		R21	110410	GL	31	12	2008	£000	409
Premiums receivable during the financial year	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			
In respect of risks incepted in previous financial years	11								
		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		
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	1151	67	1151	67			
	For periods of 12 months	14	4699	2890	4630	2890	69		
	For periods of more than 12 months	15	3	18	3	18			
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	2365		2365					
Total (12 to 16)	19	8218	2975	8149	2975	69			

General insurance business (accident year accounting): Analysis of claims, expenses and technical provisions**Form 22**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total Business

		Company registration number	GL/UK/CM	day	month	year	units	Category number	
		R22	110410	GL	31	12	2008	£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	106937	95640	26282	14985			
	Reinsurers' share	12	90520	89359	15128	13967			
	Net (11-12)	13	16417	6281	11154	1018			
	Claims management costs	14	242	258	303	319			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		99038	67494	166532			
	Reinsurers' share	16		99038	67494	166532			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	23961	43261	23193	44029			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	23961	43261	23193	44029			
	Total (21+22+23-24)	29							
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							
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**Form 22**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total Primary (Direct) and Facultative Business

		Company registration number	GL/UK/CM	day	month	year	units	Category number	
		R22	110410	GL	31	12	2008	£000	002
			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	106937	95640	26282	14985			
	Reinsurers' share	12	90520	89359	15128	13967			
	Net (11-12)	13	16417	6281	11154	1018			
	Claims management costs	14	242	258	303	319			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		99038	67494	166532			
	Reinsurers' share	16		99038	67494	166532			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	23961	43261	23193	44029			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	23961	43261	23193	44029			
	Total (21+22+23-24)	29							
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							
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**Form 22**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total primary (direct) and facultative personal motor business

		Company registration number	GL/UK/CM	day	month	year	units	Category number	
		R22	110410	GL	31	12	2008	£000	120
			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	23950	9794	14751	595			
	Reinsurers' share	12	16158	9151	9391	2384			
	Net (11-12)	13	7792	643	5360	(1789)			
	Claims management costs	14		52	146	198			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		11597	8211	19808			
	Reinsurers' share	16		11597	8211	19808			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	604	939	470	1073			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	604	939	470	1073			
	Total (21+22+23-24)	29							
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							
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**Form 22**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

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

		Company registration number	GL/UK/CM	day	month	year	units	Category number	
		R22	110410	GL	31	12	2008	£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	81464	84789	10014	13339			
	Reinsurers' share	12	73828	79218	5252	10642			
	Net (11-12)	13	7636	5571	4762	2697			
	Claims management costs	14	242	198	143	99			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		85029	58078	143107			
	Reinsurers' share	16		85029	58078	143107			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	23080	41028	22301	41807			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	23080	41028	22301	41807			
	Total (21+22+23-24)	29							
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							
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**Form 22**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Balance of all primary (direct) and facultative business

		Company registration number	GL/UK/CM	day	month	year	units	Category number	
		R22	110410	GL	31	12	2008	£000	409
			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	1523	1057	1517	1051			
	Reinsurers' share	12	534	990	485	941			
	Net (11-12)	13	989	67	1032	110			
	Claims management costs	14		8	14	22			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		2412	1205	3617			
	Reinsurers' share	16		2412	1205	3617			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	277	1294	422	1149			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	277	1294	422	1149			
	Total (21+22+23-24)	29							
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							
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**Form 23**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total Business

Accident year ended		Company registration number		GL/UK/CM		day		month		year		units		Category number			
		R23		110410		GL		31		12		2008		£000		001	
Month	Year	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		Claims incurred (latest year) or developed (other years) during this financial 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)								
		1	2	3	4	5	6	7	8	9	10	11	12	13			
12	2008	11										2169					
12	2007	12										3974					
12	2006	13	41452	14160	7807	1053	5177	1768	7754	301	(57)	86854	11.6	65.9			
12	2005	14	53619	31991	38054	647	1821	1	3395	15	(941)	140515	26.7	67.0			
12	2004	15	47607	31792	28523	588	498	712	1488	713	(403)	134003	(4.6)	58.2			
12	2003	16	32929	28704	23411	341	618		1471	1	(513)	113995	(15.1)	50.3			
12	2002	17	27076	17240	17093	159	154		203	1	109	75520	1.0	58.9			
12	2001	18	24066	17410	14518	965	103		91		977	77500	(10.5)	51.2			
12	2000	19	25117	24106	22263	648	29		379		298	79583	(4.8)	60.4			
12	1999	20	25834	24208	20606	856	4		304		556	85210	(11.3)	55.5			
Prior accident years		21				1025	269		302		992						
Reconciliation		22															
Total (11 to 22)		29				6282	8673	2481	15387	1031	1018						

General insurance business (accident year accounting): Analysis of net claims and premiums**Form 23**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total Primary (Direct) and Facultative Business

Accident year ended		Company registration number		GL/UK/CM		day		month		year		units		Category number			
		R23		110410		GL		31		12		2008		£000		002	
Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13			
						5	6	7	8								
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial 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 %			
12	2008	11										2169					
12	2007	12										3974					
12	2006	13	41452	14160	7807	1053	5177	1768	7754	301	(57)	86854	11.6	65.9			
12	2005	14	53619	31991	38054	647	1821	1	3395	15	(941)	140515	26.7	67.0			
12	2004	15	47607	31792	28523	588	498	712	1488	713	(403)	134003	(4.6)	58.2			
12	2003	16	32929	28704	23411	341	618		1471	1	(513)	113995	(15.1)	50.3			
12	2002	17	27076	17240	17093	159	154		203	1	109	75520	1.0	58.9			
12	2001	18	24066	17410	14518	965	103		91		977	77500	(10.5)	51.2			
12	2000	19	25117	24106	22263	648	29		379		298	79583	(4.8)	60.4			
12	1999	20	25834	24208	20606	856	4		304		556	85210	(11.3)	55.5			
Prior accident years		21				1025	269		302		992						
Reconciliation		22															
Total (11 to 22)		29				6282	8673	2481	15387	1031	1018						

General insurance business (accident year accounting): Analysis of net claims and premiums**Form 23**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Total primary (direct) and facultative personal motor business

Accident year ended		Company registration number		GL/UK/CM		day		month		year		units		Category number			
		R23		110410		GL		31		12		2008		£000		120	
Month	Year	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		Claims incurred (latest year) or developed (other years) during this financial 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)								
		1	2	3	4	5	6	7	8	9	10	11	12	13			
12	2008	11										194					
12	2007	12										521					
12	2006	13	617	404	1890	608	4344	288	7058	239	(2057)	1331	1664.9	582.0			
12	2005	14	2	146	114	35	727	1	495		268	160	500.7	549.4			
12	2004	15															
12	2003	16															
12	2002	17															
12	2001	18															
12	2000	19															
12	1999	20															
Prior accident years		21															
Reconciliation		22															
Total (11 to 22)		29			643	5071	289	7553	239	(1789)							

General insurance business (accident year accounting): Analysis of net claims and premiums**Form 23**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

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

Accident year ended		Company registration number		GL/UK/CM		day		month		year		units		Category number			
		R23		110410		GL		31		12		2008		£000		160	
Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13			
						5	6	7	8								
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial 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 %			
12	2008	11										1906					
12	2007	12										3337					
12	2006	13	40491	13756	4650	400	696	1432	774	99	1655	85202	(47.8)	55.9			
12	2005	14	53297	31845	37940	590	1092		2900	15	(1233)	137745	24.4	67.5			
12	2004	15	47266	31254	28376	588	448		1355	1	(320)	130790	(5.9)	58.6			
12	2003	16	32461	27775	23035	341	618		1471	1	(513)	109200	(13.6)	51.7			
12	2002	17	26808	16502	16357	159	154		203	1	109	72680	1.0	59.8			
12	2001	18	23695	16501	13693	965	103		91		977	73477	(10.5)	52.3			
12	2000	19	24840	23456	22005	648	29		379		298	76936	(3.3)	61.8			
12	1999	20	25819	24058	20595	856	4		304		556	85035	(10.8)	55.6			
Prior accident years		21				1024	186		42		1168						
Reconciliation		22															
Total (11 to 22)		29				5571	3330	1432	7519	117	2697						

General insurance business (accident year accounting): Analysis of net claims and premiums**Form 23**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

FSA general insurance business reporting category

Balance of all primary (direct) and facultative business

Accident year ended		Company registration number		GL/UK/CM	day	month	year	units	Category number				
		R23	110410	GL	31	12	2008	£000	409				
Month	Year	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 incurred (latest year) or developed (other years) during this financial 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 %	
		1	2	3	4	Reported (net)	Incurred but not reported (net)						7
12	2008	11									69		
12	2007	12									116		
12	2006	13	344	1267	45	137	48	(78)	(37)	345	321		573.5
12	2005	14	320		22	2				24	2610		13.2
12	2004	15	341	538	147	50	712	133	712	(83)	3213	69.0	38.9
12	2003	16	468	929	376						4795	(59.5)	17.6
12	2002	17	268	738	736						2840	(.3)	35.4
12	2001	18	371	909	825						4023	(9.2)	29.7
12	2000	19	277	650	258						2647	(60.3)	20.2
12	1999	20	15	150	11						175	(92.7)	14.9
Prior accident years		21			1	83		260		(176)			
Reconciliation		22											
Total (11 to 22)		29			68	272	760	315	675	110			

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

Form 31

Name of insurer **Gresham Insurance Company Limited**

Global business

Currency **British pound**Financial year ended **31st December 2008**Reporting territory **United Kingdom other than home foreign**

FSA general insurance business reporting category

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

		Company registration number	GL/UK/CM	day	month	year	Monetary units	Category number	Currency code	Reporting territory code			
		R31	110410	GL	31	12	2008	000	160	GBP	AA		
Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	
Month	Year	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	2008	11	91606	19551	85029	53909	4169			143107	239319	59.8	
12	2007	12	140412	2581	121554	71619	4643	261	67941	3685	4897	221582	89.4
12	2006	13	110724	1592	125565	5427	2524	20	2473	470	5028	177552	75.2
12	2005	14	84126	938	91321	3162	1025		3033	15	1139	149711	63.8
12	2004	15	69639	381	76380	588	448		1355	1	(320)	140057	55.3
12	2003	16	46383	462	55496	341	618		1471	1	(513)	115388	48.9
12	2002	17	38531	125	43165	159	153		203	1	108	77048	56.4
12	2001	18	32184	79	37388	965	103		91		977	77261	49.8
12	2000	19	42942	22	46845	648	29		379		298	80487	59.0
12	1999	20	48694	3	46414	856	4		304		556	89289	52.9
Prior accident years		21		152	1024	186			43		1167		
Total (11 to 21)		29		25886	169818	63642	4450		77293	4173	156444		
Line 29 expressed in sterling		30			169818	63642	4450		77293	4173	156444		

General insurance business (accident year accounting): Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance

Form 32

Name of insurer **Gresham Insurance Company Limited**

Global business

Currency **British pound**Financial year ended **31st December 2008**Reporting territory **United Kingdom other than home foreign**

FSA general insurance business reporting category

Private motor comprehensive

Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial 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	2008	11	7855	3452	11299	5150	2157			18606	21986	84.6	68	16.6
12	2007	12	14684	2478	14487	6254	4821	88	8190	3333	(360)	28659	89.5	96
12	2006	13	7520	924	10371	1410	3963	19	5468	245	(321)	14867	106.0	47
12	2005	14	95	8	107	33	729	1	485		278	138	630.4	1
12	2004	15												
12	2003	16												
12	2002	17												
12	2001	18												
12	2000	19												
12	1999	20												
Prior accident years		21												
Total (11 to 21)		29		6862	18996	14663	2265	14143	3578	18203				
Line 29 expressed in sterling		30			18996	14663	2265	14143	3578	18203				

Equalisation provisions**Form 37**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

				Company registration number	GL/ UK/ CM	day	month	year	units	
				R37	110410	GL	31	12	2008	£000
		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 groupings	Credit insurance business		
		1	2	3	4	5	6	7		
Calculation of the maximum provision										
Total net premiums written in the previous 4 years	11	288402								
Net premiums written in the current year	12	1906								
Maximum provision	13	11612					11612			
Calculation of the transfer to/from the provision										
Equalisation provision brought forward	21						16901			
Transfers in	22	57					57			
Total abnormal loss	23	1315								
Provisional transfers out	24	1315					1315			
Excess of provisional transfer out over fund available	25									
Provisional amount carried forward (21+22-24+25)	26						15643			
Excess, if any, of 26 over 13	27						4031			
Equalisation provision carried forward (26-27)	28						11612			
Transfer in/(out) for financial year (28-21)	29						(5289)			

Equalisation provisions technical account: Accident year accounting**Form 38**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

		Company registration number	GL/ UK/ CM	day	month	year	units
		R38	110410	GL	31	12	2008
		1	2	3	4	5	£000
		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)	
Other than credit business		1	2	3	4	5	
Net premiums earned	11	1906					
Claims incurred net of reinsurance	12	2697					
Trigger claims value	13	1382					
Abnormal loss	19	1315					
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 2008****Additional information as required by rule 9.25 of the Accounts and Statements Rules**

Reinsurer details As required by rule 9.25; (Para 1(a))	Connection (Para 1(b))	Prop. RI Treaties (Para 1(c)(i)) £000	Non Prop. RI Treaties (Para 1(c)(ii)) £000	Debts O/S (Para 1(d)) £000	Deposits Rec.d (Para 1(e)) £000	Antic. Recov. (Para 1(f)) £000	Comments
GE Frankona Ltd, 3 Minster Court, Mincing Lane, London, EC3R 7DD							With effect from 2007 included in Swiss Re
Lloyd's, 1 Lime Street, London, EC3M 7HA							With effect from 2007 included within relevant parent group
International Property Catastrophe Reinsurance Ltd, 29 Richmond Road, Pembroke HM08, Bermuda			342	126			
Endurance Specialty Insurance Company, Wellesley House, 90 Pitts Bay Road, Pembroke HN08, Bermuda			220	77			
Ace Ltd, 30 Woodbourne Avenue, Hamilton HM 08, Bermuda			53	5			
Aviva Re Limited, Cannon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda	Fellow group undertaking from 31 March 2005		905	363			
Berkshire Hathaway Inc (General Reinsurance UK Ltd), 1441 Kiewit Plaza, Omaha NE68131, USA			202	88			
Swiss Reinsurance Company Ltd, Mythenquai 50/60, CH-8022 Zurich, Switzerland			3,732	859			
Munich Reinsurance Co., 107 Koenigstrasse, 80802 Munich, Germany			1,920	828			

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008****Additional information as required by rule 9.25 of the Accounts and Statements Rules**

Reinsurer details As required by rule 9.25; (Para 1(a))	Connection (Para 1(b))	Prop. RI Treaties (Para 1(c)(i)) £000	Non Prop. RI Treaties (Para 1(c)(ii)) £000	Debts O/S (Para 1(d)) £000	Deposits Rec.d (Para 1(e)) £000	Antic. Recov. (Para 1(f)) £000	Comments
Renaissance Reinsurance Ltd, Renaissance House, 8 - 20 East Broadway, Pembroke HM 19, Bermuda			701	210			
Platinum Re (UK) Ltd, St Clare House, 30 – 33 Minorities, London EC3N 1DD			58	22			
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	253,536				84,475	

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

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 2008**

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 2008**

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, 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 Aviva Group. For over the counter contracts, transactions must only be transacted with the approval of the Aviva Group Derivatives Committee.

Controls and monitoring - delegated authorities exist for each member of staff using derivatives. Derivatives transactions are priced, settled and profit or 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. No derivative contracts were held during the financial year, which required a significant provision to be made for it under INSPRU 3.2.17R.
- e. The Company did not grant any rights under derivative contracts.

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

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, 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, 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**

Global business

Financial year ended **31st December 2008**

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

Details of non-facultative reinsurance contract entered into or modified during the year are as follows:

Type of Business Covered: All business written by the company

Type of Cover: Quota Share Contract

Business Reinsured: UK- Barclays/Gresham Corporate Partners Portfolio

Details: 100% Quota Share

Comments: Reinsures all business written by the Company

Period of Cover: 01/01/2008 – Rolling contract with termination no earlier than 1st December 2009

Maximum Net Probable Loss = £0m

There are no facultative premiums.

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

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 ensure that they meet the criteria under International Financial Reporting Standard 4 to be classified as insurance contracts.

In carrying out that review the Company has determined that these criteria have been met and 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 2008*****0301* Reconciliation of Net Admissible Assets to Capital Resources**

	2008 £000	2007 £000
Form 13, Line 89	424,262	507,145
Less		
Form 15, Line 69	354,200	448,229
	<u> </u>	<u> </u>
Net admissible assets	70,062	58,916
	<u> </u>	<u> </u>
Capital resources		
Form 3, Line 79	70,062	58,916
	<u> </u>	<u> </u>

***0313* Reconciliation of Profit and Loss Account and Other Reserves**

	2008 £000	2007 £000
Form 3, Line 12.4	(1,883)	(10,020)
Form 16, Line 59.1	10,545	8,480
Movement in claims equalisation provision (refer 0310 above)	-	(343)
	<u> </u>	<u> </u>
Form 3, Line 12.3	8,662	(1,883)
	<u> </u>	<u> </u>

***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.

Supplementary Notes to the Returns

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

***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.

***1314* Leased Assets**

There were no tangible leased assets included at line 80 of Form 13 (2007 - 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 GENPRU 1.3.30R to 1.3.33R or INSPRU 3.2.17R to 3.2.18R. Management has considered current market conditions when valuing investments in accordance with IFRS. 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 (2007 - £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.

***1604* *0310* *1507* Other Negative Valuation Differences**

The Company prepares its 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 but instead include a profit commission expense payable as a result of the release of the CEP under IFRS. In 2007, the CEP was £16,901k; in 2008 it is £11,612k, a decrease of £5,289k. Form 16 line 41 shows the increase in the commission expense to offset the release in CEP. If the financial statements had been prepared in accordance with UK GAAP, there would be no adjustment in this line.

Supplementary Notes to the ReturnsName of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008*****1700* Form Omitted**

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

***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 343. In respect of risk categories 113 (travel) and 274 (mixed commercial packages) the estimated analyses by class are:

Groups of classes	Gross premium written	Provision for undiscounted gross claims		Provision for gross unearned premium
		Reported	IBNR	
	£000	£000	£000	£000
TRAVEL				
Accident and Health	2,175	286	22	435
Fire and other damage to property	395	52	4	79
Classes 16, 17 and 18 combined	1,384	182	14	277
Total	3,954	520	40	791
MIXED COMMERCIAL PACKAGE				
Fire and other damage to property	870	230	66	422
Motor	580	153	44	281
Liability	387	102	29	187
Classes 16, 17 and 18 combined	96	26	8	47
Total	1,933	511	147	937

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

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

Supplementary Notes to the Returns

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

***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) and 11 (aircraft liability). 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.

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

The Company has been funded by its parent company, 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 £22,790k and £nil respectively. The maximum amounts owed to each during the year were £25,521k and £26,435k.

The Company has ceded 100% of the net premiums, claims and expenses of its policies incepted since 1st January 2006 to its parent undertaking, Aviva International Insurance Limited. The premiums ceded in 2008 amounted to £253,536k.

***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 2008 or 2007.

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 2008**

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)*, *GENPRU* and *INSPRU*; and
 - (ii) it is reasonable to believe that the Company has continued so to comply subsequently, and will continue so to comply in future.



David Watson
Director

Norwich
19th March 2009



Igal Mayer
Chief Executive Officer



John Kitson
Director

Independent auditors' report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

We have examined the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Chapter 9 of IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU 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 IPRU(INS) rules 9.25, 9.26, 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 IPRU(INS) rules 9.30, 9.32 and 9.32A on pages 45 to 47; and
- the certificate signed in accordance with IPRU(INS) rule 9.34(1) on page 52.

This report is made solely to the insurer's directors, in accordance with IPRU(INS) rule 9.35. 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 IPRU(INS) 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 are also required to 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 19th March 2009. 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 Interim Prudential Sourcebook for Insurers

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2008**

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 IPRU(INS) 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

Ernst & Young LLP
Registered Auditor
London
19th March 2009

19 March 2009