

Gresham Insurance Company Limited

**Annual FSA Insurance Returns for the year ended
31st December 2010**



(Appendices 9.1, 9.2, 9.5, 9.6)

Gresham Insurance Company Limited

Year ended 31st December 2010

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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 2010**

Solo solvency calculation

	Company registration number	GL/UK/CM	day	month	year	units	
	R1	110410	GL	31	12	2010	£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	79925	75930
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	79925	75930

Guarantee fund

Guarantee fund requirement	21	6863	8389
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	73062	67541

Minimum capital requirement (MCR)

General insurance capital requirement	31	20588	25166
Base capital resources requirement	33	3040	3128
Individual minimum capital requirement	34	20588	25166
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	20588	25166
Excess (deficiency) of available capital resources to cover 50% of MCR	37	69631	63347
Excess (deficiency) of available capital resources to cover 75% of MCR	38	64484	57055

Capital resources requirement (CRR)

Capital resources requirement	41	20588	25166
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	59337	50764

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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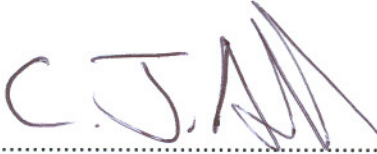
Covering sheet to Form 1

Form 1

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2010**



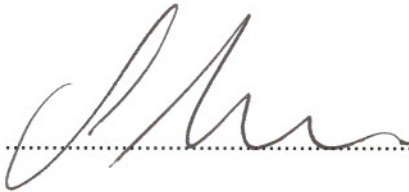
Clifford Abrahams

Director



David McMillan

Director



Janice Deakin

Director

York, 22nd March 2011

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

Global business

Financial year ended **31st December 2010**

	Company registration number	GL/UK/CM	day	month	year	units	
	R3	110410	GL	31	12	2010	£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	18525			18525	14530	
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	79925			79925	75930	
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	79925			79925	75930	
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	79925			79925	75930	

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

Global business

Financial year ended **31st December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R3	110410	GL	31	12	2010	£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 2010**

	Company registration number	GL/UK/CM	day	month	year	units	
	R3	110410	GL	31	12	2010	£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	79925		79925		75930
Inadmissible assets other than intangibles and own shares	73					
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	79925		79925		75930

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	79925		79925		75930
Available capital resources for 50% MCR requirement	82	79925		79925		75930
Available capital resources for 75% MCR requirement	83	79925		79925		75930

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 2010**

General insurance business

		Company registration number	GL/UK/CM	day	month	year	units	
		R11	110410	GL	31	12	2010	£000
					This financial year	Previous year		
					1	2		
Gross premiums written		11			242875		246585	
Premiums taxes and levies (included in line 11)		12			372		133	
Premiums written net of taxes and levies (11-12)		13			242503		246452	
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			242503		246452	
Gross premiums earned		21			241953		259214	
Premium taxes and levies (included in line 21)		22			372		133	
Premiums earned net of taxes and levies (21-22)		23			241581		259081	
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			241581		259081	
Sub-total I (higher of sub-total A and sub-total H)		30			242503		259081	
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			43651		46635	
	Excess (if any) over 57.5M EURO x 0.02	33			3851		4154	
Sub-total J (32-33)		34			39800		42481	
Claims paid in period of 3 financial years		41			524862		612162	
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			107418		99934	
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			108899		69692	
Sub-total C (41+42+43-44-45)		46			523381		642404	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47			507993		637623	
Sub-total D (46-47)		48			15388		4781	
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			19900		21241	
Provisions for claims outstanding (before discounting and net of reinsurance)		51			5859		7907	
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			18648		16557	
Greater of lines 50 and 53		54			19900		21241	

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 2010**

General insurance business

		Company registration number	GL/ UK/ CM	day	month	year	units	
		R12	110410	GL	31	12	2010	£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		524862		612162		
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		107418		99934		
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		108899		69692		
Claims incurred in reference period (21+22+23-24-25)		26		523381		642404		
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		523381		642404		
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)		31		174460		214135		
Division of sub-total F (gross adjusted claims amount)	X 0.26	32		45360		55675		
	Excess (if any) over 40.3M EURO x 0.03	33		4184		5344		
Sub-total G (32 - 33)		39		41176		50331		
Claims amount Sub-total G x reinsurance ratio (11.49)		41		20588		25166		
Higher of premiums amount and brought forward amount (11.54)		42		19900		21241		
General insurance capital requirement (higher of lines 41 and 42)		43		20588		25166		

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

Global business

Financial year ended **31st December 2010**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	2010	£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		
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	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	22905
	More than one month withdrawal	55	23920
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 2010**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	2010	£000	1
						As at end of this financial year	As at end of the previous year
						1	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	132657	131735
Claims outstanding	61	101559	92027
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	129553	117845
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	3113	7882
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		
	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		
Deferred acquisition costs (general business only)	85	34999	27322
Other prepayments and accrued income	86	1082	2450

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	425868	403181
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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 2010**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	2010	£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	425868	403181
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
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 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	425868	403181
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

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

Global business

Financial year ended **31st December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R15	110410	GL	31	12	2010	£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	132657	131735
Claims outstanding	12	107418	99934
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	360 6308
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19	240435	237977

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	31			
Creditors	Direct insurance business	41	4638	12153
	Reinsurance accepted	42		
	Reinsurance ceded	43	78	270
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46	4290		
Creditors	Taxation	47	3315	5536
	Foreseeable dividend	48		
	Other	49	48744	32405
Accruals and deferred income	51	44443	38910	
Total (19 to 51)	59	345943	327251	
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69	345943	327251	

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71	37805	11278
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83		
Capital and reserves	84	79925	75930
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	425868	403181

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

Global business

Financial year ended **31st December 2010**

		Company registration number	GL/ UK/ CM	day	month	year	units	
		R16	110410	GL	31	12	2010	£000
				This financial year		Previous year		
				1		2		
Transfer (to) / from the general insurance business technical account	From Form 20	11		1705		1756		
	Equalisation provisions	12		5948		5304		
Transfer from the long term insurance business revenue account		13						
Investment income	Income	14		142		243		
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17		8		19		
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19		1		10		
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		3705		6188		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29		11491		13462		
Tax on profit or loss on ordinary activities		31		1548		2290		
Profit or loss on ordinary activities after tax (29-31)		39		9943		11172		
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41		(5948)		(5304)		
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		3995		5868		
Dividends (paid or foreseeable)		51						
Profit or loss retained for the financial year (49-51)		59		3995		5868		

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 2010**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day	month	year	units	
		R20A	110410	GL	31	12	2010	£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	3		4		
001	Total business	1	242875	97951	6717	132657		
002	Total primary (direct) and facultative business	2	242875	97951	6717	132657		
003	Total treaty reinsurance accepted business	3						
110	Total primary (direct) and facultative accident & health (category numbers 111 to 114)	4	2673	188	34	822		
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	217	17887	265	6		
160	Primary (direct) and facultative household and domestic all risks.	6	236222	78584	5550	129863		
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	663	130	509	371		
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8	9	2		4		
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9	456	57	65	227		
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10	2633	1103	294	1362		
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11	2			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						
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	242875	97951	6717	132657		

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 2010**

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
		1		Reported	Incurred but not reported		4
				2	3		

PRIMARY (DIRECT) and FACULTATIVE PERSONAL LINES BUSINESS

111	Medical insurance	21					
112	HealthCare cash plans	22					
113	Travel	23	2622	168	32		798
114	Personal accident or sickness	24	51	20	2		24
121	Private motor - comprehensive	25		13314	229		
122	Private motor - non-comprehensive	26	217	4573	36		6
123	Motor cycle	27					
160	Household and domestic all risks (equals line 6)	28	236222	78584	5550		129863
181	Assistance	29					
182	Creditor	30	663	130	509		371
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	9	2			4
222	Commercial vehicles (non-fleet)	42					
223	Motor other	43					
261	Commercial property	44	396	21	56		197
262	Consequential loss	45	50	32	8		25
263	Contractors or engineering all risks	46	10	4	1		5
271	Employers liability	47	211	47	4		103
272	Professional indemnity	48					
273	Public and products liability	49	801	271	98		400
274	Mixed commercial package	50	1621	785	192		859
281	Fidelity and contract guarantee	51					
282	Credit	52					
283	Suretyship	53	2				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 2010**

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: 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 (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	242875	97951	6717	132657
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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 2010**

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	2010	£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	1936	2074					
	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	1936	2074					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	(270)	344					
	Claims management costs (22. 14. 4)	23	501	(26)					
	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	(231)	(318)					
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	1705	1756					
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	1705	1756					

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2010**

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	2010	£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	1936	2074					
	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	1936	2074					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	(270)	344					
	Claims management costs (22. 14. 4)	23	501	(26)					
	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	(231)	(318)						
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	1705	1756					
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	1705	1756					

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

Global business

Financial year ended **31st December 2010**

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	2010	£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	10	121						
	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	10	121						
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21								
	Claims incurred (22. 13. 4)	22	(1372)	(88)						
	Claims management costs (22. 14. 4)	23	129	(68)						
	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	1243	156						
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	1253	277		
Allocated investment return						51				
Transfer to non-technical account (49+51)						59	1253	277		

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

Global business

Financial year ended **31st December 2010**

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	2010	£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	1871	1893					
	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	1871	1893					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	1104	601					
	Claims management costs (22. 14. 4)	23	373	51					
	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	(1477)	(652)					
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	394	1241			
Allocated investment return				51					
Transfer to non-technical account (49+51)				59	394	1241			

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

Global business

Financial year ended **31st December 2010**

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	2010	£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	55	60					
	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	55	60					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	(2)	(169)					
	Claims management costs (22. 14. 4)	23	(1)	(9)					
	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	3	178					
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	58	238			
Allocated investment return				51					
Transfer to non-technical account (49+51)				59	58	238			

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 2010**

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	2010	£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								
		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	6631	704	6631	704			
	For periods of 12 months	14	103584	131940	101648	131940	1936		
	For periods of more than 12 months	15	3	13	3	13			
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	131735		131735					
Total (12 to 16)	19	241953	132657	240017	132657	1936			

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 2010**

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	2010	£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								
		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	6631	704	6631	704			
	For periods of 12 months	14	103584	131940	101648	131940	1936		
	For periods of more than 12 months	15	3	13	3	13			
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	131735		131735					
Total (12 to 16)	19	241953	132657	240017	132657	1936			

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 2010**

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	2010	£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								
		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							
	For periods of 12 months	14	211	6	201	6	10		
	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	1097		1097					
Total (12 to 16)	19	1308	6	1298	6	10			

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 2010**

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	2010	£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						
	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	5714	649	5714	649	
	For periods of 12 months	14	100645	129214	98774	129214	1871
	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	127600		127600			
Total (12 to 16)	19	233959	129863	232088	129863	1871	

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 2010**

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	2010	£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	917	55	917	55			
	For periods of 12 months	14	2728	2720	2673	2720	55		
	For periods of more than 12 months	15	3	13	3	13			
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	3038		3038					
Total (12 to 16)	19	6686	2788	6631	2788	55			

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 2010**

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	2010	£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	97675	57424	35258	(4993)			
	Reinsurers' share	12	89839	55154	29962	(4723)			
	Net (11-12)	13	7836	2270	5296	(270)			
	Claims management costs	14	71	9	563	501			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		70673	69410	140083			
	Reinsurers' share	16		70673	69410	140083			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	21962	48690	26236	44416			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	21962	48690	26236	44416			
	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 2010**

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	2010	£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	97675	57424	35258	(4993)			
	Reinsurers' share	12	89839	55154	29962	(4723)			
	Net (11-12)	13	7836	2270	5296	(270)			
	Claims management costs	14	71	9	563	501			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		70673	69410	140083			
	Reinsurers' share	16		70673	69410	140083			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	21962	48690	26236	44416			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	21962	48690	26236	44416			
	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 2010**

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	2010	£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	24133	7527	17940	1334			
	Reinsurers' share	12	19911	7228	15389	2706			
	Net (11-12)	13	4222	299	2551	(1372)			
	Claims management costs	14	44		173	129			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		601	212	813			
	Reinsurers' share	16		601	212	813			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	58			58			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	58			58			
	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 2010**

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	2010	£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	70917	49196	15929	(5792)			
	Reinsurers' share	12	68147	47226	14025	(6896)			
	Net (11-12)	13	2770	1970	1904	1104			
	Claims management costs	14	23	9	387	373			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		68049	68205	136254			
	Reinsurers' share	16		68049	68205	136254			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	21518	48600	25880	44238			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	21518	48600	25880	44238			
	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 2010**

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	2010	£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	2625	701	1389	(535)			
	Reinsurers' share	12	1781	700	548	(533)			
	Net (11-12)	13	844	1	841	(2)			
	Claims management costs	14	4		3	(1)			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		2023	993	3016			
	Reinsurers' share	16		2023	993	3016			
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks	19								
Net operating expenses	Commissions	21	386	90	356	120			
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24	386	90	356	120			
	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 2010**

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	2010	£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 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)	Incurring but not reported (net)						5	6	7	8
12	2010	11												1936		
12	2009	12												2074		
12	2008	13												2169		
12	2007	14												3974		
12	2006	15	41452	14160	11008	1133	1162		3823	(1528)			86854	(6.1)	63.0	
12	2005	16	53619	31991	39365	282	2010	1	1751	542			140515	30.2	67.8	
12	2004	17	47607	31792	29309	43	600	712	562	712	81		134003	(3.5)	58.4	
12	2003	18	32929	28704	23983	385	598		784	199			113995	(13.0)	50.8	
12	2002	19	27076	17240	17254	52	38		62	28			75520	.6	58.8	
12	2001	20	24066	17410	15519	16	4		9	11			77500	(10.7)	51.1	
Prior accident years		21			359	171			133	397						
Reconciliation		22														
Total (11 to 22)		29			2270	4583	713		7124	712	(270)					

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 2010**

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	2010	£000	002					
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	2010	11										1936		
12	2009	12										2074		
12	2008	13										2169		
12	2007	14										3974		
12	2006	15	41452	14160	11008	1133	1162	3823		(1528)		86854	(6.1)	63.0
12	2005	16	53619	31991	39365	282	2010	1	1751	542		140515	30.2	67.8
12	2004	17	47607	31792	29309	43	600	712	561	712	82	134003	(3.5)	58.4
12	2003	18	32929	28704	23983	385	598		784	199		113995	(13.0)	50.8
12	2002	19	27076	17240	17254	52	38		62	28		75520	.6	58.8
12	2001	20	24066	17410	15519	16	4		9	11		77500	(10.7)	51.1
Prior accident years		21			359	171		133		397				
Reconciliation		22												
Total (11 to 22)		29			2270	4583	713	7123	712	(269)				

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 2010**

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		2010		£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	2010	11										10					
12	2009	12										121					
12	2008	13										194					
12	2007	14										521					
12	2006	15	617	404	3482	278	1162	2954		(1514)		1331	1118.3	416.2			
12	2005	16	2	146	215	21	1389	1268		142		160	1013.0	1016.9			
12	2004	17															
12	2003	18															
12	2002	19															
12	2001	20															
Prior accident years		21															
Reconciliation		22															
Total (11 to 22)		29			299	2551		4222		(1372)							

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 2010**

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		2010		£000		160	
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	2010	11										1871					
12	2009	12										1893					
12	2008	13										1906					
12	2007	14										3337					
12	2006	15	40491	13756	6205	855		869		(14)		85202	(48.7)	55.8			
12	2005	16	53297	31845	39123	260	620	1	484	397		137745	25.6	67.7			
12	2004	17	47266	31254	29162	43	472		429	86		130790	(5.0)	58.8			
12	2003	18	32461	27775	23607	385	598		784	199		109200	(11.5)	52.2			
12	2002	19	26808	16502	16518	52	38		62	28		72680	.6	59.7			
12	2001	20	23695	16501	14694	16	4		9	11		73477	(10.8)	52.3			
Prior accident years		21			359	171		133		397							
Reconciliation		22															
Total (11 to 22)		29			1970	1903	1	2770		1104							

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 2010**

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		2010		£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 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	2010	11										55					
12	2009	12										60					
12	2008	13										69					
12	2007	14										116					
12	2006	15	344	1321								321		518.7			
12	2005	16	320	27	1	1				2		2610		13.4			
12	2004	17	341	538	147	128	712	132	712	(4)		3213	83.5	41.3			
12	2003	18	468	929	376							4795	(59.5)	17.6			
12	2002	19	268	738	736							2840	(.3)	35.4			
12	2001	20	371	909	825							4023	(9.2)	29.7			
Prior accident years		21															
Reconciliation		22															
Total (11 to 22)		29			1	129	712	132	712	(2)							

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 2010**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	2010	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	2010	11	89737	20432	68049	63255	4950			136254	233959	58.2	
12	2009	12	111150	2383	79830	40691	7398	369	53181	5792	(10515)	237672	54.0
12	2008	13	118806	727	131571	4893	3138	109	6430	320	1390	239319	58.4
12	2007	14	143962	260	202714	1139	1445	90	1648	168	858	221582	92.7
12	2006	15	112269	144	132147	1357	1314	31	1287	58	1357	177552	75.9
12	2005	16	84584	508	95076	260	752	1	616		397	149711	64.2
12	2004	17	69699	360	77166	43	472		429		86	140057	55.5
12	2003	18	46439	393	56068	385	598		784		199	115388	49.4
12	2002	19	38550	106	43326	52	38		62		28	77048	56.3
12	2001	20	32190	73	38389	17	3		9		11	77261	49.7
Prior accident years		21		24	359	171			133		397		
Total (11 to 21)		29		25410	117245	78584	5550		64579	6338	130462		
Line 29 expressed in sterling		30			117245	78584	5550		64579	6338	130462		

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 2010**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	2010	11	477	91	583	191	17			791	1068	74.1	4	14.2	
12	2009	12	7357	718	7830	1969	3591	41	5735	153	(287)	13871	96.8	39	20.7
12	2008	13	11791	294	15636	923	1886	63	3648	24	(800)	21986	84.2	68	17.8
12	2007	14	17229	242	22453	1291	2623	78	3754	92	146	28659	92.3	96	18.2
12	2006	15	8485	77	12465	773	3636	30	3936	1	502	14867	113.7	47	18.2
12	2005	16	97	7	206	20	1387		1268		139	138	1168.8	1	10.4
12	2004	17													
12	2003	18													
12	2002	19													
12	2001	20													
Prior accident years		21													
Total (11 to 21)		29		1429	5559	13314	229	18341	270	491					
Line 29 expressed in sterling		30			5559	13314	229	18341	270	491					

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

Global business

Financial year ended **31st December 2010**

		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Company registration number	GL/ UK/ CM	day	month	year	units
					R37	110410	GL	31	12	2010
Calculation of the maximum provision		1	2	3	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)	All business groupings			7
Total net premiums written in the previous 4 years	11	7137								
Net premiums written in the current year	12	1871								
Maximum provision	13	360						360		

Calculation of the transfer to/from the provision

Equalisation provision brought forward	21							6308		
Transfers in	22	56						56		
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							6364		
Excess, if any, of 26 over 13	27							6004		
Equalisation provision carried forward (26-27)	28							360		
Transfer in/(out) for financial year (28-21)	29							(5948)		

Equalisation provisions technical account: Accident year accounting
Form 38

 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2010**

		Company registration number	GL/UK/CM	day	month	year	units	
		R38	110410	GL	31	12	2010	£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)		
		1	2	3	4	5		
Other than credit business								
Net premiums earned	11	1871						
Claims incurred net of reinsurance	12	1104						
Trigger claims value	13	1356						
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 2010****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 Reinsurance Ltd Regis House 45 King William Street London EC4R 9AN							With effect from 2007 included in Swiss Re
Lloyd's 1 Lime Street London, EC3M 7HA							With effect from 2007 included in r/i parent group
International Property Catastrophe Reinsurance Ltd 29 Richmond Road Pembroke HM08 Bermuda			231	7			
Endurance Specialty Insurance Company Wellesley House 90 Pitts Bay Road Pembroke HN08 Bermuda			55				
ACE Ltd 17 Woodbourne Avenue Hamilton HM 08 Bermuda			4				
Aviva Re Limited, Cannon's Court 22 Victoria Street Hamilton HM 12 Bermuda	Fellow group undertaking						
General Reinsurance UK Ltd (Berkshire Hathaway Inc) 1440 Kiewit Plaza Omaha NE68131 USA			194	2			
Swiss Reinsurance Company Ltd Mythenquai 50/60 8022 Zurich Switzerland			4,799	130			

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2010****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
Munich Reinsurance Co. 107 Koenigstrasse 80802 Munich Germany			1,433				
Renaissance Reinsurance Ltd Renaissance House 12 Crow Lane Pembroke HM 19 Bermuda			1,099				
Platinum Re (UK) Ltd, St Clare House, 30 – 33 Minories London EC3N 1DD			33	2			
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	226,970		2,879		234,074	

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2010**

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 2010**

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 2010**

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

Details of non-facultative reinsurance contracts 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: 01/01/2010 to 31/12/2010 – Rolling contract

Maximum Net Probable Loss = £0m

All reinsurance premiums payable related to contracts for non-facultative reinsurance ceded.

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2010**

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.

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2010**

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

Derivative Contracts

The following summarises investment policy for the use of derivatives:

a) 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 made 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 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 was not party to any stock underwriting over the financial year, or any other arrangements, which fall into description b) above. Therefore the end of year exposure was nil.

d) No derivative contracts were held during the financial year, which required a significant provision to be made for them under INSPRU 3.2.17R.

e) During the financial year the Company granted no rights under derivative contracts for a fixed consideration.

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2010**

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.

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

Global business

Financial year ended **31st December 2010*****0301* Reconciliation of Net Admissible Assets to Capital Resources**

	2010 £000	2009 £000
Form 13, Line 89	425,868	403,181
Less		
Form 15, Line 69	345,943	327,251
	<u> -</u>	<u> -</u>
Net admissible assets	<u>79,925</u>	<u>75,930</u>
Capital resources		
Form 3, Line 79	<u>79,925</u>	<u>75,930</u>

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

	2010 £000	2009 £000
Form 3, Line 12.4	14,530	8,662
Form 16, Line 59.1	3,995	5,868
	<u> -</u>	<u> -</u>
Form 3, Line 12.3	<u>18,525</u>	<u>14,530</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 2010**

***1305* Counterparty Limits**

The Company's management of credit risk is carried out in accordance with Aviva plc group credit risk processes, which include setting exposure limits and monitoring exposures in accordance with ratings set by credit ratings agencies such as Standard & Poor's. Financial assets are graded according to current credit ratings issued. A credit limit for each counterparty is set based on default probabilities that are in turn based on the rating of the counterparty and the type of exposure concerned. Exposure levels are reported to, and reviewed by, the UK General Insurance Investment Committee ("UKGIIC") within Aviva plc. Where exposures have been in excess of the credit limit, these have been approved by the UKGIIC. There have been no material breaches of credit limits during the year which have not received approval from the UKGIIC.

In addition, the Company manages exposure to reinsurance counterparties in accordance with Aviva plc group policy. Exposure limits are set by the Group Credit Approvals Committee and there is a range of reinsurers that have acceptable credit ratings. Reinsurer exposure and the impact of any reinsurer default are monitored regularly. The Company has a significant exposure to its parent company, Aviva International Insurance Limited, arising from a quota share reinsurance agreement entered into from 2006.

***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 (2009 - £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* Extraordinary Item**

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 2009, the CEP was £6,308k; in 2010 it is £360k, a decrease of £5,948k. 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 2010*****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	1,442	92	18	439
Fire and other damage to property	262	17	3	80
Classes 16, 17 and 18 combined	918	59	11	279
Total	2,622	168	32	798
MIXED COMMERCIAL PACKAGE				
Fire and other damage to property	1,037	502	123	550
Liability	470	228	56	249
Classes 16, 17 and 18 combined	114	55	13	60
Total	1,621	785	192	859

***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 2010**

***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 (All), and by a fellow Group company, Aviva Insurance UK Limited (AIUK) through the settlement of certain of its expenses during the year. At the year-end the balance owed to All was £32,784k and £302k was owed by AIUK. The maximum amount owed to each company during the year was £32,784k and £17,676k respectively.

The Company has ceded 100% of the net premiums, claims and expenses of its policies incepted since 1st January 2006 to its parent company, Aviva International Insurance Limited. The premiums ceded in 2010 amounted to £226,970k.

***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 2010 or 2009.

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 2010**

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.

Clifford Abrahams
Director

David McMillan
Director

Janice Deakin
Director

York
22nd March 2011

Independent auditor's 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 2010**

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to 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 audit and do not express an opinion on:

- the statements required by IPRU(INS) rules 9.30, 9.32 and 9.32A on pages 45 to 47; and
- the certificate required by 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 audit work 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 auditor's 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 audit work, 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 specified by 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited; or
- the Forms and the statements are not in agreement with the accounting records and returns; or
- 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 23rd March 2011. 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 auditor's 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 2010**

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
Statutory Auditor
London
23rd March 2011