

Gresham Insurance Company Limited

Annual FSA Insurance Returns for the year ended 31st December 2011



(Appendices 9.1, 9.2, 9.5, 9.6)

Gresham Insurance Company Limited

Year ended 31st December 2011

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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 2011**

Solo solvency calculation

| | Company registration number | GL/UK/CM | Period ended | | | units |
|-----------|-----------------------------|-----------|----------------------------------|-----------|--------------------------------|-------------|
| | | | day | month | year | |
| R1 | 110410 | GL | 31 | 12 | 2011 | £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 | 76801 | 79925 |
| 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 | 76801 | 79925 |

Guarantee fund

| | | | |
|--|-----------|-------|-------|
| Guarantee fund requirement | 21 | 6727 | 6863 |
| Excess (deficiency) of available capital resources to cover guarantee fund requirement | 22 | 70074 | 73062 |

Minimum capital requirement (MCR)

| | | | |
|--|-----------|-------|-------|
| General insurance capital requirement | 31 | 20181 | 20588 |
| Base capital resources requirement | 33 | 3056 | 3040 |
| Individual minimum capital requirement | 34 | 20181 | 20588 |
| Capital requirements of regulated related undertakings | 35 | | |
| Minimum capital requirement (34+35) | 36 | 20181 | 20588 |
| Excess (deficiency) of available capital resources to cover 50% of MCR | 37 | 66711 | 69631 |
| Excess (deficiency) of available capital resources to cover 75% of MCR | 38 | 61666 | 64484 |

Capital resources requirement (CRR)

| | | | |
|--|-----------|-------|-------|
| Capital resources requirement | 41 | 20181 | 20588 |
| Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41) | 42 | 56620 | 59337 |

Contingent liabilities

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

Covering sheet to Form 1

Form 1

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**

..... **Clifford Abrahams** **Director**

..... **Adam Winslow** **Director**

..... **Richard Spicker** **Company Secretary**

London, 23rd March 2012

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

Global business

Financial year ended **31st December 2011**

| | Company registration number | GL/UK/CM | Period ended | | | units | |
|--|-----------------------------|------------------------------|--|--|-----------|-------------|-------------|
| | | | day | month | year | | |
| | R3 | 110410 | GL | 31 | 12 | 2011 | £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 | | | |

Core tier one capital

| | | | | | |
|---|-----------|-------|--|-------|-------|
| Permanent share capital | 11 | 61400 | | 61400 | 61400 |
| Profit and loss account and other reserves | 12 | 15401 | | 15401 | 18525 |
| 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 | 76801 | | 76801 | 79925 |

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 | 76801 | | 76801 | 79925 |
| 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 | 76801 | | 76801 | 79925 |

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

Global business

Financial year ended **31st December 2011**

| | Company registration number | GL/UK/CM | Period ended | | | units | |
|--|-----------------------------------|---------------------------------|--|--|-----------|-------------|-------------|
| | | | day | month | year | | |
| | R3 | 110410 | GL | 31 | 12 | 2011 | £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 2011**

| | Company registration number | GL/UK/CM | Period ended | | | units | |
|--|-----------------------------|------------------------------|--|--|-----------|-------------|-------------|
| | | | day | month | year | | |
| | R3 | 110410 | GL | 31 | 12 | 2011 | £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 | 76801 | | 76801 | | 79925 |
| 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 | 76801 | | 76801 | | 79925 |

Available capital resources for GENPRU/INSRU tests

| | | | | | | |
|--|-----------|-------|--|-------|--|-------|
| Available capital resources for guarantee fund requirement | 81 | 76801 | | 76801 | | 79925 |
| Available capital resources for 50% MCR requirement | 82 | 76801 | | 76801 | | 79925 |
| Available capital resources for 75% MCR requirement | 83 | 76801 | | 76801 | | 79925 |

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 2011**

General insurance business

| | Company registration number | GL/UK/CM | Period ended | | | units |
|--|--|----------|---------------------|-------|---------------|-------|
| | | | day | month | year | |
| R11 | 110410 | GL | 31 | 12 | 2011 | £000 |
| | | | This financial year | | Previous year | |
| | | | 1 | | 2 | |
| Gross premiums written | | 11 | 237927 | | 242875 | |
| Premiums taxes and levies (included in line 11) | | 12 | | | 372 | |
| Premiums written net of taxes and levies (11-12) | | 13 | 237927 | | 242503 | |
| 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 | 237927 | | 242503 | |
| Gross premiums earned | | 21 | 245975 | | 241953 | |
| Premium taxes and levies (included in line 21) | | 22 | | | 372 | |
| Premiums earned net of taxes and levies (21-22) | | 23 | 245975 | | 241581 | |
| 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 | 245975 | | 241581 | |
| Sub-total I (higher of sub-total A and sub-total H) | | 30 | 245975 | | 242503 | |
| 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 | 44276 | | 43651 | |
| | Excess (if any) over 57.5M EURO x 0.02 | 33 | 3915 | | 3851 | |
| Sub-total J (32-33) | | 34 | 40361 | | 39800 | |
| Claims paid in period of 3 financial years | | 41 | 450090 | | 524862 | |
| 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 | 64761 | | 107418 | |
| 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 | 95932 | | 108899 | |
| Sub-total C (41+42+43-44-45) | | 46 | 418919 | | 523381 | |
| Amounts recoverable from reinsurers in respect of claims included in Sub-total C | | 47 | 402784 | | 507993 | |
| Sub-total D (46-47) | | 48 | 16135 | | 15388 | |
| 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 | 20181 | | 19900 | |
| Provisions for claims outstanding (before discounting and net of reinsurance) | | 51 | 4919 | | 5859 | |
| 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 | 17285 | | 18648 | |
| Greater of lines 50 and 53 | | 54 | 20181 | | 19900 | |

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 2011**

General insurance business

| | Company registration number | GL/UK/CM | Period ended | | | units |
|---|--|----------|---------------------|-------|---------------|-------|
| | | | day | month | year | |
| R12 | 110410 | GL | 31 | 12 | 2011 | £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 | 450090 | | 524862 | |
| 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 | 64761 | | 107418 | |
| 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 | 95932 | | 108899 | |
| Claims incurred in reference period (21+22+23-24-25) | | 26 | 418919 | | 523381 | |
| 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 | 418919 | | 523381 | |
| 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 | 139640 | | 174460 | |
| Division of sub-total F (gross adjusted claims amount) | X 0.26 | 32 | 36306 | | 45360 | |
| | Excess (if any) over 40.3M EURO x 0.03 | 33 | 3134 | | 4184 | |
| Sub-total G (32 - 33) | | 39 | 33172 | | 41176 | |
| Claims amount Sub-total G x reinsurance ratio (11.49) | | 41 | 16586 | | 20588 | |
| Higher of premiums amount and brought forward amount (11.54) | | 42 | 20181 | | 19900 | |
| General insurance capital requirement (higher of lines 41 and 42) | | 43 | 20181 | | 20588 | |

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

Global business

Financial year ended **31st December 2011**Category of assets **Total other than Long-term insurance business assets**

| | Company registration number | GL/UK/CM | Period ended | | | units | Category of assets | |
|--------------------|-----------------------------|---------------|--------------|-----------|-----------|-------------|----------------------------------|--------------------------------|
| | | | day | month | year | | | |
| | R13 | 110410 | GL | 31 | 12 | 2011 | £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 | 22396 | 22905 |
| | More than one month withdrawal | 55 | | |
| 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 2011**Category of assets **Total other than Long-term insurance business assets**

| | Company registration number | GL/UK/CM | Period ended | | | units | Category of assets | |
|---|-----------------------------|-----------------|--------------|-----------|-----------|-------------|----------------------------------|--------------------------------|
| | | | day | month | year | | | |
| | R13 | 110410 | GL | 31 | 12 | 2011 | £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 | 124610 | 132657 |
| Claims outstanding | 61 | 59842 | 101559 |
| Provision for unexpired risks | 62 | | |
| Other | 63 | | |

Debtors and salvage

| | | | | |
|------------------------------------|----------------------------|-----------|--------|--------|
| Direct insurance business | Policyholders | 71 | 130278 | 129553 |
| | Intermediaries | 72 | | |
| Salvage and subrogation recoveries | | 73 | | |
| Reinsurance | Accepted | 74 | | |
| | Ceded | 75 | 8293 | 3113 |
| Dependants | due in 12 months or less | 76 | | |
| | due in more than 12 months | 77 | | |
| Other | due in 12 months or less | 78 | 1931 | |
| | 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 | 33553 | 34999 |
| Other prepayments and accrued income | 86 | 105 | 1082 |

| | | | |
|---|-----------|--|--|
| Deductions from the aggregate value of assets | 87 | | |
|---|-----------|--|--|

| | | | |
|---|-----------|--------|--------|
| Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87) | 89 | 381008 | 425868 |
|---|-----------|--------|--------|

Analysis of admissible assets**Form 13
(Sheet 3)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**Category of assets **Total other than Long-term insurance business assets**

| R13 | Company registration number 110410 | GL/UK/CM GL | Period ended | | | units £000 | Category of assets 1 |
|-----|---------------------------------------|----------------|----------------------------------|-------|------|--------------------------------|-------------------------|
| | | | day | month | year | | |
| | | | 31 | 12 | 2011 | | |
| | | | 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 | 381008 | 425868 |
| 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 | 381008 | 425868 |
| 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 2011**

| | Company registration number | GL/UK/CM | Period ended | | | units |
|------------|-----------------------------|-----------|--------------------------------------|-----------|------------------------------------|-------------|
| | | | day | month | year | |
| R15 | 110410 | GL | 31 | 12 | 2011 | £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 | 124610 | 132657 |
| Claims outstanding | | 12 | 64761 | 107418 |
| Provision for unexpired risks | | 13 | | |
| Equalisation provisions | Credit business | 14 | | |
| | Other than credit business | 15 | 418 | 360 |
| Other technical provisions | | 16 | | |
| Total gross technical provisions (11 to 16) | | 19 | 189789 | 240435 |

Provisions and creditors

| | | | | |
|---|---------------------------|-----------|--------|--------|
| Provisions | Taxation | 21 | | |
| | Other risks and charges | 22 | | |
| Deposits received from reinsurers | | 31 | | |
| Creditors | Direct insurance business | 41 | 1473 | 4638 |
| | Reinsurance accepted | 42 | | |
| | Reinsurance ceded | 43 | 938 | 78 |
| Debenture loans | Secured | 44 | | |
| | Unsecured | 45 | | |
| Amounts owed to credit institutions | | 46 | 7117 | 4290 |
| Creditors | Taxation | 47 | 1844 | 3315 |
| | Foreseeable dividend | 48 | | |
| | Other | 49 | 48405 | 48744 |
| Accruals and deferred income | | 51 | 54641 | 44443 |
| Total (19 to 51) | | 59 | 304207 | 345943 |
| Provision for "reasonably foreseeable adverse variations" | | 61 | | |
| Cumulative preference share capital | | 62 | | |
| Subordinated loan capital | | 63 | | |
| Total (59 to 63) | | 69 | 304207 | 345943 |

| | | | |
|---|-----------|-------|-------|
| Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance | 71 | 36118 | 37805 |
|---|-----------|-------|-------|

| | | | |
|--|-----------|--------|--------|
| Amounts deducted from technical provisions for discounting | 82 | | |
| Other adjustments (may be negative) | 83 | | |
| Capital and reserves | 84 | 76801 | 79925 |
| 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 | 381008 | 425868 |

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

Global business

Financial year ended **31st December 2011**

| | | Company registration number | GL/UK/CM | Period ended | | | units | |
|--|--|-----------------------------------|----------|------------------------|--------|------------------|--------|------|
| | | R16 | 110410 | GL | 31 | 12 | 2011 | £000 |
| | | | | This financial year | | Previous year | | |
| | | | | 1 | | 2 | | |
| Transfer (to) / from the general insurance business technical account | From Form 20 | 11 | | | (207) | | 1705 | |
| | Equalisation provisions | 12 | | | (58) | | 5948 | |
| Transfer from the long term insurance business revenue account | | 13 | | | | | | |
| Investment income | Income | 14 | | | 171 | | 142 | |
| | Value re-adjustments on investments | 15 | | | | | | |
| | Gains on the realisation of investments | 16 | | | | | | |
| Investment charges | Investment management charges, including interest | 17 | | | 16 | | 8 | |
| | Value re-adjustments on investments | 18 | | | | | | |
| | Loss on the realisation of investments | 19 | | | | | 1 | |
| 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 | | | 6674 | | 3705 | |
| Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21) | | 29 | | | 6564 | | 11491 | |
| Tax on profit or loss on ordinary activities | | 31 | | | 1746 | | 1548 | |
| Profit or loss on ordinary activities after tax (29-31) | | 39 | | | 4818 | | 9943 | |
| Extraordinary profit or loss (particulars to be specified by way of supplementary note) | | 41 | | | 58 | | (5948) | |
| 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 | | | 4876 | | 3995 | |
| Dividends (paid or foreseeable) | | 51 | | | 8000 | | | |
| Profit or loss retained for the financial year (49-51) | | 59 | | | (3124) | | 3995 | |

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 2011**

| Category number | FSA return general insurance business reporting category | R20A | Company registration number | GL/UK/CM | Period ended | | | units |
|-----------------|--|------|--|---|--------------|--|--------|-------|
| | | | 110410 | GL | day | month | year | £000 |
| | | | | | 31 | 12 | 2011 | |
| | | | 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 | 2 | 3 | 4 | | |
| 001 | Total business | 1 | 237927 | 56511 | 5507 | | 124610 | |
| 002 | Total primary (direct) and facultative business | 2 | 237927 | 56511 | 5507 | | 124610 | |
| 003 | Total treaty reinsurance accepted business | 3 | | | | | | |
| 110 | Total primary (direct) and facultative accident & health (category numbers 111 to 114) | 4 | 732 | 166 | 6 | | 48 | |
| 120 | Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123) | 5 | 6 | 14033 | 51 | | | |
| 160 | Primary (direct) and facultative household and domestic all risks. | 6 | 233804 | 40970 | 4598 | | 123171 | |
| 180 | Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187) | 7 | 615 | 133 | 712 | | | |
| 220 | Total primary (direct) and facultative commercial motor business (category numbers 221 to 223) | 8 | 3 | | | | 1 | |
| 260 | Total primary (direct) and facultative commercial lines property (category numbers 261 to 263) | 9 | 404 | 67 | 24 | | 198 | |
| 270 | Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274) | 10 | 2361 | 1142 | 116 | | 1191 | |
| 280 | Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284) | 11 | 2 | | | | 1 | |
| 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 | 237927 | 56511 | 5507 | | 124610 | |

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 2011**

| 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 | Company registration number | | | Period ended | | | units |
|-----------------|--|--|---|--|-----------------------------|--------|----------|--------------|-----|-------|-------|
| | | | | | R20A | 110410 | GL/UK/CM | GL | day | month | |
| | | 1 | 2 | 3 | | | | 31 | 12 | 2011 | £000 |

PRIMARY (DIRECT) and FACULTATIVE PERSONAL LINES BUSINESS

| | | | | | | |
|-----|--|----|--------|-------|------|--------|
| 111 | Medical insurance | 21 | | | | |
| 112 | HealthCare cash plans | 22 | | | | |
| 113 | Travel | 23 | 687 | 150 | 2 | 27 |
| 114 | Personal accident or sickness | 24 | 45 | 16 | 4 | 21 |
| 121 | Private motor - comprehensive | 25 | | 9817 | 48 | |
| 122 | Private motor - non-comprehensive | 26 | 6 | 4216 | 3 | |
| 123 | Motor cycle | 27 | | | | |
| 160 | Household and domestic all risks (equals line 6) | 28 | 233804 | 40970 | 4598 | 123171 |
| 181 | Assistance | 29 | | | | |
| 182 | Creditor | 30 | 615 | 133 | 712 | |
| 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 | 2 | | | 1 |
| 222 | Commercial vehicles (non-fleet) | 42 | 1 | | | |
| 223 | Motor other | 43 | | | | |
| 261 | Commercial property | 44 | 351 | 44 | 18 | 171 |
| 262 | Consequential loss | 45 | 45 | 19 | 6 | 23 |
| 263 | Contractors or engineering all risks | 46 | 8 | 4 | | 4 |
| 271 | Employers liability | 47 | 193 | 45 | | 91 |
| 272 | Professional indemnity | 48 | 1 | | | |
| 273 | Public and products liability | 49 | 714 | 249 | 7 | 341 |
| 274 | Mixed commercial package | 50 | 1453 | 848 | 109 | 759 |
| 281 | Fidelity and contract guarantee | 51 | | | | |
| 282 | Credit | 52 | | | | |
| 283 | Suretyship | 53 | 2 | | | 1 |
| 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 2011**

| 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 | Company registration number | | Period ended | | | units |
|-----------------|--|--|---|--|-----------------------------|--------|--------------|----|-----|-------|
| | | | | | R20A | 110410 | GL/UK/CM | GL | day | |
| | | 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 | | | | |
|-----|--|----|--|--|--|--|

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 | | | | |
|-----|--|-----|--|--|--|--|

| | | | | | | |
|-------------------------|--|-----|--------|-------|------|--------|
| TOTAL (lines 21 to 101) | | 111 | 237927 | 56511 | 5507 | 124610 |
|-------------------------|--|-----|--------|-------|------|--------|

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**

FSA general insurance business reporting category

Total Business

| | Company registration number | GL/UK/CM | Period ended | | | units | Category number |
|---|---|-----------|---------------------|-----------|-------------|---------------|-----------------|
| | | | day | month | year | | |
| R20 | 110410 | GL | 31 | 12 | 2011 | £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 | 1967 | | 1936 | | |
| | 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 | 645 | | | | |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | 1322 | | 1936 | | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium (21. 11. 5) | 21 | | | | | |
| | Claims incurred (22. 13. 4) | 22 | 2092 | | (270) | | |
| | Claims management costs (22. 14. 4) | 23 | (563) | | 501 | | |
| | 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 | (1529) | | (231) | | |
| 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 | (207) | | 1705 | |
| Allocated investment return | | | 51 | | | | |
| Transfer to non-technical account (49+51) | | | 59 | (207) | | 1705 | |

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**

FSA general insurance business reporting category

Total Primary (Direct) and Facultative Business

| | Company registration number | GL/UK/CM | Period ended | | | units | Category number | |
|---|---|---------------|--------------|---------------------|-----------|---------------|-----------------|------------|
| | | | day | month | year | | | |
| | R20 | 110410 | GL | 31 | 12 | 2011 | £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 | | | | 1967 | | 1936 |
| | 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 | | | | | 645 | |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | | | | | 1322 | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium (21. 11. 5) | 21 | | | | | | |
| | Claims incurred (22. 13. 4) | 22 | | | | 2092 | | (270) |
| | Claims management costs (22. 14. 4) | 23 | | | | (563) | | 501 |
| | 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 | | | | | (1529) | |
| 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 | | | (207) | 1705 |
| Allocated investment return | | | | 51 | | | | |
| Transfer to non-technical account (49+51) | | | | 59 | | | (207) | 1705 |

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**

FSA general insurance business reporting category

Total primary (direct) and facultative personal motor business

| | Company registration number | GL/UK/CM | Period ended | | | units | Category number | |
|---|---|---------------|--------------|---------------------|-----------|---------------|-----------------|------------|
| | | | day | month | year | | | |
| | R20 | 110410 | GL | 31 | 12 | 2011 | £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 | |
| | 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 |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium (21. 11. 5) | 21 | | | | | | |
| | Claims incurred (22. 13. 4) | 22 | | | | 2126 | (1372) | |
| | Claims management costs (22. 14. 4) | 23 | | | | (173) | 129 | |
| | 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 | | | | | (1953) | 1243 |
| 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 | | (1953) | 1253 | |
| Allocated investment return | | | | 51 | | | | |
| Transfer to non-technical account (49+51) | | | | 59 | | (1953) | 1253 | |

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**

FSA general insurance business reporting category

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

| | Company registration number | GL/UK/CM | Period ended | | | units | Category number | |
|---|---|---------------|--------------|---------------------|-----------|---------------|-----------------|------------|
| | | | day | month | year | | | |
| | R20 | 110410 | GL | 31 | 12 | 2011 | £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 | 1924 | | 1871 | | | |
| | 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 | 561 | | | | | |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | 1363 | | 1871 | | | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium (21. 11. 5) | 21 | | | | | | |
| | Claims incurred (22. 13. 4) | 22 | 672 | | 1104 | | | |
| | Claims management costs (22. 14. 4) | 23 | (387) | | 373 | | | |
| | 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 | (285) | | (1477) | | | |
| 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 | | 1078 | | 394 |
| Allocated investment return | | | | 51 | | | | |
| Transfer to non-technical account (49+51) | | | | 59 | | 1078 | | 394 |

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**

FSA general insurance business reporting category

Balance of all primary (direct) and facultative business

| | Company registration number | GL/UK/CM | Period ended | | | units | Category number | |
|---|---|---------------|--------------|---------------------|-----------|---------------|-----------------|------------|
| | | | day | month | year | | | |
| | R20 | 110410 | GL | 31 | 12 | 2011 | £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 | 43 | 55 | | | | |
| | 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 | 84 | | | | | |
| | Balance of year's underwriting (11-12-13+14-15+16-17) | 19 | (41) | 55 | | | | |
| Adjustment for prior years' underwriting (accident year accounting) | Earned premium (21. 11. 5) | 21 | | | | | | |
| | Claims incurred (22. 13. 4) | 22 | (706) | (2) | | | | |
| | Claims management costs (22. 14. 4) | 23 | (3) | (1) | | | | |
| | 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 | 709 | 3 | | | | |
| 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 | 668 | 58 | | |
| Allocated investment return | | | | 51 | | | | |
| Transfer to non-technical account (49+51) | | | | 59 | 668 | 58 | | |

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 2011**

FSA general insurance business reporting category

Total Business

| | | Company registration number | GL/UK/CM | Period ended | | | units | Category number | |
|--|------------------------------------|------------------------------------|--|------------------------------------|--|------------------------------------|--|-----------------|------------|
| | | | | day | month | year | | | |
| | | R21 | 110410 | GL | 31 | 12 | 2011 | £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 | | | | | | | |
| | For periods of 12 months | 14 | 113317 | 124610 | 111350 | 124610 | 1967 | | |
| | 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 | 132657 | | 132657 | | | | |
| Total (12 to 16) | | 19 | 245974 | 124610 | 244007 | 124610 | 1967 | | |

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 2011**

FSA general insurance business reporting category

Total Primary (Direct) and Facultative Business

| | | Company registration number | GL/UK/CM | Period ended | | | units | Category number | |
|--|------------------------------------|------------------------------------|--|------------------------------------|--|------------------------------------|--|-----------------|------------|
| | | | | day | month | year | | | |
| | | R21 | 110410 | GL | 31 | 12 | 2011 | £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 | | | | | | | |
| | For periods of 12 months | 14 | 113317 | 124610 | 111350 | 124610 | 1967 | | |
| | 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 | 132657 | | 132657 | | | | |
| Total (12 to 16) | | 19 | 245974 | 124610 | 244007 | 124610 | 1967 | | |

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 2011**

FSA general insurance business reporting category

Total primary (direct) and facultative personal motor business

| | | Company registration number | | GL/UK/CM | | Period ended | | | units | Category number |
|--|------------------------------------|------------------------------------|--|------------------------------------|--|------------------------------------|--|------|-------|-----------------|
| | | R21 | 110410 | GL | 31 | 12 | 2011 | £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 | 6 | 6 | | | | | | |
| | 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 | 6 | 6 | | | | | | |
| Total (12 to 16) | | 19 | 12 | 12 | | | | | | |

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 2011**

FSA general insurance business reporting category

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

| | | Company registration number | | GL/UK/CM | | Period ended | | | units | Category number |
|--|------------------------------------|------------------------------------|--|------------------------------------|--|------------------------------------|--|------|-------|-----------------|
| | | R21 | 110410 | GL | 31 | 12 | 2011 | £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 | | | | | | | | |
| | For periods of 12 months | 14 | 110633 | 123171 | 108709 | 123171 | 1924 | | | |
| | 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 | 129863 | | 129863 | | | | | |
| Total (12 to 16) | | 19 | 240496 | 123171 | 238572 | 123171 | 1924 | | | |

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 2011**

FSA general insurance business reporting category

Balance of all primary (direct) and facultative business

| | | Company registration number | GL/UK/CM | Period ended | | | units | Category number | |
|--|------------------------------------|------------------------------------|--|------------------------------------|--|------------------------------------|--|-----------------|-----|
| | | | | day | month | year | | | |
| | | R21 | 110410 | GL | 31 | 12 | 2011 | £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 | | | | | | | |
| | For periods of 12 months | 14 | 2678 | 1439 | 2635 | 1439 | 43 | | |
| | 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 | 2788 | | 2788 | | | | |
| Total (12 to 16) | | 19 | 5466 | 1439 | 5423 | 1439 | 43 | | |

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 2011**

FSA general insurance business reporting category

Total Business

| | R22 | Company registration number | GL/UK/CM | Period ended | | | units | Category number |
|---|---|---|--|---|--|-------|-------|-----------------|
| | | 110410 | GL | day | month | year | £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 | 104668 | 79389 | 28387 | 3108 | | |
| | Reinsurers' share | 12 | 99372 | 76920 | 23468 | 1016 | | |
| | Net (11-12) | 13 | 5296 | 2469 | 4919 | 2092 | | |
| | Claims management costs | 14 | 563 | | | (563) | | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | 58258 | 33631 | 91889 | | |
| | Reinsurers' share | 16 | | 58258 | 33631 | 91889 | | |
| | Net (15-16) | 17 | | | | | | |
| | Claims management costs | 18 | | | | | | |
| Provision for unexpired risks | 19 | | | | | | | |
| Net operating expenses | Commissions | 21 | 26236 | 60880 | 24181 | 62935 | | |
| | Other acquisition expenses | 22 | | | | | | |
| | Administrative expenses | 23 | | 645 | | 645 | | |
| | Reinsurance commissions and profit participations | 24 | 26236 | 60880 | 24181 | 62935 | | |
| | Total (21+22+23-24) | 29 | | 645 | | 645 | | |
| 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 | | 645 | | 645 | | |
| 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 2011**

FSA general insurance business reporting category

Total Primary (Direct) and Facultative Business

| | R22 | Company registration number | GL/UK/CM | Period ended | | | units | Category number |
|---|---|---|--|---|--|-------|-------|-----------------|
| | | 110410 | GL | day | month | year | £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 | 104668 | 79389 | 28387 | 3108 | | |
| | Reinsurers' share | 12 | 99372 | 76920 | 23468 | 1016 | | |
| | Net (11-12) | 13 | 5296 | 2469 | 4919 | 2092 | | |
| | Claims management costs | 14 | 563 | | | (563) | | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | 58258 | 33631 | 91889 | | |
| | Reinsurers' share | 16 | | 58258 | 33631 | 91889 | | |
| | Net (15-16) | 17 | | | | | | |
| | Claims management costs | 18 | | | | | | |
| Provision for unexpired risks | 19 | | | | | | | |
| Net operating expenses | Commissions | 21 | 26236 | 60880 | 24181 | 62935 | | |
| | Other acquisition expenses | 22 | | | | | | |
| | Administrative expenses | 23 | | 645 | | 645 | | |
| | Reinsurance commissions and profit participations | 24 | 26236 | 60880 | 24181 | 62935 | | |
| | Total (21+22+23-24) | 29 | | 645 | | 645 | | |
| 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 | | 645 | | 645 | | |
| 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 2011**

FSA general insurance business reporting category

Total primary (direct) and facultative personal motor business

| | R22 | Company registration number | GL/UK/CM | Period ended | | | units | Category number |
|---|---|---|--|---|--|-------|-------|-----------------|
| | | 110410 | GL | day | month | year | £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 | 18152 | 6411 | 14084 | 2343 | | |
| | Reinsurers' share | 12 | 15601 | 4978 | 10840 | 217 | | |
| | Net (11-12) | 13 | 2551 | 1433 | 3244 | 2126 | | |
| | Claims management costs | 14 | 173 | | | (173) | | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | | | | | |
| | Reinsurers' share | 16 | | | | | | |
| | Net (15-16) | 17 | | | | | | |
| | Claims management costs | 18 | | | | | | |
| Provision for unexpired risks | 19 | | | | | | | |
| Net operating expenses | Commissions | 21 | | | | | | |
| | Other acquisition expenses | 22 | | | | | | |
| | Administrative expenses | 23 | | | | | | |
| | Reinsurance commissions and profit participations | 24 | | | | | | |
| | 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 2011**

FSA general insurance business reporting category

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

| | Company registration number | GL/UK/CM | Period ended | | | units | Category number |
|---|---|--|---|-------|-------|--|-----------------|
| | | | day | month | year | | |
| R22 | 110410 | GL | 31 | 12 | 2011 | £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 | 84134 | 74339 | 12917 | 3122 | |
| | Reinsurers' share | 12 | 82230 | 73303 | 11377 | 2450 | |
| | Net (11-12) | 13 | 1904 | 1036 | 1540 | 672 | |
| | Claims management costs | 14 | 387 | | | (387) | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | 57313 | 32651 | 89964 | |
| | Reinsurers' share | 16 | | 57313 | 32651 | 89964 | |
| | Net (15-16) | 17 | | | | | |
| | Claims management costs | 18 | | | | | |
| Provision for unexpired risks | 19 | | | | | | |
| Net operating expenses | Commissions | 21 | 25880 | 61856 | 23931 | 63805 | |
| | Other acquisition expenses | 22 | | | | | |
| | Administrative expenses | 23 | | 561 | | 561 | |
| | Reinsurance commissions and profit participations | 24 | 25880 | 61856 | 23931 | 63805 | |
| | Total (21+22+23-24) | 29 | | 561 | | 561 | |
| 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 | | 561 | | 561 | |
| 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 2011**

FSA general insurance business reporting category

Balance of all primary (direct) and facultative business

| | Company registration number | GL/UK/CM | Period ended | | | units | Category number | |
|---|---|---|--|---|-----------|--|-----------------|------------|
| | | | day | month | year | | | |
| | R22 | 110410 | GL | 31 | 12 | 2011 | £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 | 2382 | (1361) | 1386 | | (2357) | |
| | Reinsurers' share | 12 | 1541 | (1361) | 1251 | | (1651) | |
| | Net (11-12) | 13 | 841 | | 135 | | (706) | |
| | Claims management costs | 14 | 3 | | | | (3) | |
| Claims incurred in respect of incidents occurring in this financial year | Gross amount | 15 | | 945 | 980 | | 1925 | |
| | Reinsurers' share | 16 | | 945 | 980 | | 1925 | |
| | Net (15-16) | 17 | | | | | | |
| | Claims management costs | 18 | | | | | | |
| Provision for unexpired risks | 19 | | | | | | | |
| Net operating expenses | Commissions | 21 | 356 | (976) | 250 | | (870) | |
| | Other acquisition expenses | 22 | | | | | | |
| | Administrative expenses | 23 | | 84 | | | 84 | |
| | Reinsurance commissions and profit participations | 24 | 356 | (976) | 250 | | (870) | |
| | Total (21+22+23-24) | 29 | | 84 | | | 84 | |
| 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 | | 84 | | | 84 | |
| 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 2011**

FSA general insurance business reporting category

Total Business

| Accident year ended | | Company registration number | GL/UK/CM | Period ended | | | units | Category number | | | | | | |
|----------------------|------|--|---|--|--|------------------------------------|---------------------------------|---|---|-----------------------|---|----------------|--------|------|
| | | | | day | month | year | | | | | | | | |
| Month | Year | R23 | 110410 | GL | 31 | 12 | 2011 | £000 | 001 | | | | | |
| | | 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 | 8 | 9 | 10 | 11 | 12 | 13 |
| 12 | 2011 | 11 | | | | | | | | | | 1967 | | |
| 12 | 2010 | 12 | | | | | | | | | | 1936 | | |
| 12 | 2009 | 13 | | | | | | | | | | 2074 | | |
| 12 | 2008 | 14 | | | | | | | | | | 2169 | | |
| 12 | 2007 | 15 | | | | | | | | | | 3974 | | |
| 12 | 2006 | 16 | 41452 | 14160 | 12141 | 903 | 2784 | 1162 | | 2525 | | 86854 | 11.8 | 65.9 |
| 12 | 2005 | 17 | 53619 | 31991 | 39647 | 884 | 1381 | 2010 | 1 | 254 | | 140515 | 31.0 | 68.0 |
| 12 | 2004 | 18 | 47607 | 31792 | 29352 | 196 | 625 | 600 | 712 | (491) | | 134003 | (5.1) | 58.0 |
| 12 | 2003 | 19 | 32929 | 28704 | 24368 | 439 | 105 | 598 | | (54) | | 113995 | (13.2) | 50.7 |
| 12 | 2002 | 20 | 27076 | 17240 | 17306 | 42 | 18 | 38 | | 22 | | 75520 | .7 | 58.8 |
| Prior accident years | | 21 | | | | 5 | 6 | 175 | | (164) | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | 2469 | 4919 | 4583 | 713 | 2092 | | | | |

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 2011**

FSA general insurance business reporting category

Total Primary (Direct) and Facultative Business

| Accident year ended | | Company registration number | GL/UK/CM | Period ended | | | units | Category number | | | | | | |
|----------------------|------|--|---|--|--|------------------------------------|---------------------------------|---|---|-----------------------|---|----------------|--------|------|
| | | | | day | month | year | | | | | | | | |
| Month | Year | R23 | 110410 | GL | 31 | 12 | 2011 | £000 | 002 | | | | | |
| | | 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 | 8 | 9 | 10 | 11 | 12 | 13 |
| 12 | 2011 | 11 | | | | | | | | | | 1967 | | |
| 12 | 2010 | 12 | | | | | | | | | | 1936 | | |
| 12 | 2009 | 13 | | | | | | | | | | 2074 | | |
| 12 | 2008 | 14 | | | | | | | | | | 2169 | | |
| 12 | 2007 | 15 | | | | | | | | | | 3974 | | |
| 12 | 2006 | 16 | 41452 | 14160 | 12141 | 903 | 2784 | 1162 | | 2525 | | 86854 | 11.8 | 65.9 |
| 12 | 2005 | 17 | 53619 | 31991 | 39647 | 884 | 1381 | 2010 | 1 | 254 | | 140515 | 31.0 | 68.0 |
| 12 | 2004 | 18 | 47607 | 31792 | 29352 | 196 | 625 | 600 | 712 | (491) | | 134003 | (5.1) | 58.0 |
| 12 | 2003 | 19 | 32929 | 28704 | 24368 | 439 | 105 | 598 | | (54) | | 113995 | (13.2) | 50.7 |
| 12 | 2002 | 20 | 27076 | 17240 | 17306 | 42 | 18 | 38 | | 22 | | 75520 | .7 | 58.8 |
| Prior accident years | | 21 | | | | 5 | 6 | 175 | | (164) | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | 2469 | 4919 | 4583 | 713 | 2092 | | | | |

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 2011**

FSA general insurance business reporting category

Total primary (direct) and facultative personal motor business

| Accident year ended | | Company registration number | GL/UK/CM | Period ended | | | units | Category number | | | | | | |
|----------------------|------|--|---|--|--|------------------------------------|---------------------------------|---|---|-----------------------|---|----------------|--------|--------|
| | | | | day | month | year | | | | | | | | |
| Month | Year | R23 | 110410 | GL | 31 | 12 | 2011 | £000 | 120 | | | | | |
| | | 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 | 8 | 9 | 10 | 11 | 12 | 13 |
| 12 | 2011 | 11 | | | | | | | | | | | | |
| 12 | 2010 | 12 | | | | | | | | | | 10 | | |
| 12 | 2009 | 13 | | | | | | | | | | 121 | | |
| 12 | 2008 | 14 | | | | | | | | | | 194 | | |
| 12 | 2007 | 15 | | | | | | | | | | 521 | | |
| 12 | 2006 | 16 | 617 | 404 | 3760 | 903 | 2357 | 1162 | | 2098 | | 1331 | 1637.6 | 573.8 |
| 12 | 2005 | 17 | 2 | 146 | 236 | 530 | 887 | 1389 | | 28 | | 160 | 1032.2 | 1034.4 |
| 12 | 2004 | 18 | | | | | | | | | | | | |
| 12 | 2003 | 19 | | | | | | | | | | | | |
| 12 | 2002 | 20 | | | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | 1433 | 3244 | 2551 | | 2126 | | | | |

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 2011**

FSA general insurance business reporting category

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

| Accident year ended | | Company registration number | GL/UK/CM | Period ended | | | units | Category number | | | | | | |
|----------------------|------|--|---|--|--|------------------------------------|---------------------------------|---|---|-----------------------|---|----------------|--------|------|
| | | | | day | month | year | | | | | | | | |
| Month | Year | R23 | 110410 | GL | 31 | 12 | 2011 | £000 | 160 | | | | | |
| | | 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 | 8 | 9 | 10 | 11 | 12 | 13 |
| 12 | 2011 | 11 | | | | | | | | | | 1924 | | |
| 12 | 2010 | 12 | | | | | | | | | | 1871 | | |
| 12 | 2009 | 13 | | | | | | | | | | 1893 | | |
| 12 | 2008 | 14 | | | | | | | | | | 1906 | | |
| 12 | 2007 | 15 | | | | | | | | | | 3337 | | |
| 12 | 2006 | 16 | 40491 | 13756 | 7060 | | 427 | | | 427 | | 85202 | (45.6) | 56.3 |
| 12 | 2005 | 17 | 53297 | 31845 | 39383 | 354 | 492 | 620 | 1 | 225 | | 137745 | 26.3 | 67.9 |
| 12 | 2004 | 18 | 47266 | 31254 | 29205 | 196 | 492 | 472 | | 216 | | 130790 | (4.4) | 59.0 |
| 12 | 2003 | 19 | 32461 | 27775 | 23992 | 439 | 105 | 598 | | (54) | | 109200 | (11.7) | 52.2 |
| 12 | 2002 | 20 | 26808 | 16502 | 16570 | 42 | 18 | 38 | | 22 | | 72680 | .8 | 59.8 |
| Prior accident years | | 21 | | | | 5 | 6 | 175 | | (164) | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | 1036 | 1540 | 1903 | 1 | 672 | | | | |

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 2011**

FSA general insurance business reporting category

Balance of all primary (direct) and facultative business

| Accident year ended | | Company registration number | GL/UK/CM | Period ended | | | units | Category number | | | | | | |
|----------------------|------|--|---|--|--|------------------------------------|---------------------------------|------------------------------------|---------------------------------|---|---|-----------------------|---|----------------|
| | | | | day | month | year | | | | | | | | |
| Month | Year | R23 | 110410 | GL | 31 | 12 | 2011 | £000 | 409 | | | | | |
| | | 1 | 2 | 3 | 4 | Claims outstanding carried forward | | Claims outstanding brought forward | | 9 | 10 | 11 | 12 | 13 |
| | | 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 | 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 | 2011 | 11 | | | | | | | | | | 43 | | |
| 12 | 2010 | 12 | | | | | | | | | | 55 | | |
| 12 | 2009 | 13 | | | | | | | | | | 60 | | |
| 12 | 2008 | 14 | | | | | | | | | | 69 | | |
| 12 | 2007 | 15 | | | | | | | | | | 116 | | |
| 12 | 2006 | 16 | 344 | | 1321 | | | | | | | 321 | | 518.7 |
| 12 | 2005 | 17 | 320 | | 28 | | 2 | | 1 | 1 | | 2610 | | 13.4 |
| 12 | 2004 | 18 | 341 | 538 | 147 | | 133 | | 128 | 712 | (707) | 3213 | (48.0) | 19.3 |
| 12 | 2003 | 19 | 468 | 929 | 376 | | | | | | | 4795 | (59.5) | 17.6 |
| 12 | 2002 | 20 | 268 | 738 | 736 | | | | | | | 2840 | (.3) | 35.4 |
| Prior accident years | | 21 | | | | | | | | | | | | |
| Reconciliation | | 22 | | | | | | | | | | | | |
| Total (11 to 22) | | 29 | | | | | 135 | | 129 | 712 | (706) | | | |

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 2011**Reporting territory **United Kingdom other than home foreign**

FSA general insurance business reporting category

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

| Accident year ended | | Company registration number | GL/UK/CM | Period ended | | | Monetary units | Category number | Currency code | Reporting territory code | | | |
|-------------------------------|------|-----------------------------|---|-----------------------------|-----------------------------|------------------------|--|---------------------------|--|---------------------------|---|-----------------------|----------------|
| | | | | day | month | year | | | | | | | |
| | | R31 | 110410 | GL | 31 | 12 | 2011 | 000 | 160 | GBP | AA | | |
| Month | Year | | 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 % |
| | | | 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 | 2011 | 11 | 45321 | 12474 | | 57313 | 28437 | 4214 | | | 89964 | 240496 | 37.4 |
| 12 | 2010 | 12 | 108766 | 1403 | 68049 | 62103 | 6051 | 324 | 63255 | 4950 | 273 | 233959 | 58.4 |
| 12 | 2009 | 13 | 113130 | 403 | 120521 | 4476 | 2444 | 43 | 7398 | 369 | (804) | 237672 | 53.6 |
| 12 | 2008 | 14 | 119376 | 157 | 136464 | 3667 | 1138 | 8 | 3138 | 109 | 1566 | 239319 | 59.0 |
| 12 | 2007 | 15 | 144120 | 102 | 203853 | 1939 | 1040 | 7 | 1445 | 90 | 1451 | 221582 | 93.3 |
| 12 | 2006 | 16 | 112327 | 86 | 133504 | 1058 | 616 | 2 | 1314 | 31 | 331 | 177552 | 76.1 |
| 12 | 2005 | 17 | 85055 | 37 | 95336 | 413 | 624 | | 752 | 1 | 284 | 149711 | 64.4 |
| 12 | 2004 | 18 | 70031 | 28 | 77209 | 196 | 492 | | 472 | | 216 | 140057 | 55.6 |
| 12 | 2003 | 19 | 46798 | 34 | 56453 | 439 | 105 | | 598 | | (54) | 115388 | 49.4 |
| 12 | 2002 | 20 | 38651 | 5 | 43378 | 43 | 17 | | 38 | | 22 | 77048 | 56.4 |
| Prior accident years | | 21 | | 3 | | 5 | 6 | | 174 | | (163) | | |
| Total (11 to 21) | | 29 | | 14732 | | 131652 | 40970 | 4598 | 78584 | 5550 | 93086 | | |
| Line 29 expressed in sterling | | 30 | | | | 131652 | 40970 | 4598 | 78584 | 5550 | 93086 | | |

General insurance business (accident year accounting): Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance Form 32Name of insurer **Gresham Insurance Company Limited**

Global business

Currency **British pound**Financial year ended **31st December 2011**Reporting territory **United Kingdom other than home foreign**

FSA general insurance business reporting category

Private motor comprehensive

| Accident year ended | | Company registration number | GL/UK/CM | Period ended | | | Monetary units | Category number | Currency code | Reporting territory code | | | | | |
|-------------------------------|------|---|-----------------------------|-----------------------------|------------------------|--|---------------------------|--|---------------------------|---|-----------------------|----------------|-----------------------|--------------------|------|
| | | | | day | month | year | | | | | | | | | |
| | | R32 | 110410 | GL | 31 | 12 | 2011 | 000 | 121 | GBP | AA | | | | |
| Month | Year | 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 % | |
| | | 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 | 2011 | 11 | | | | | | | | | | | | | |
| 12 | 2010 | 12 | 571 | 7 | 583 | 67 | 49 | 10 | 191 | 17 | (82) | 1068 | 66.4 | 4 | 14.5 |
| 12 | 2009 | 13 | 7985 | 90 | 9799 | 1008 | 2577 | 34 | 3591 | 41 | (13) | 13871 | 96.7 | 39 | 20.7 |
| 12 | 2008 | 14 | 12011 | 74 | 16559 | 880 | 1404 | | 1886 | 63 | 335 | 21986 | 85.7 | 68 | 17.8 |
| 12 | 2007 | 15 | 17443 | 28 | 23744 | 592 | 2557 | 3 | 2623 | 78 | 451 | 28659 | 93.8 | 96 | 18.2 |
| 12 | 2006 | 16 | 8544 | 18 | 13238 | 1221 | 2344 | 1 | 3636 | 30 | (100) | 14867 | 113.0 | 47 | 18.2 |
| 12 | 2005 | 17 | 102 | 2 | 226 | 530 | 886 | | 1387 | | 29 | 138 | 1189.9 | 1 | 10.4 |
| 12 | 2004 | 18 | | | | | | | | | | | | | |
| 12 | 2003 | 19 | | | | | | | | | | | | | |
| 12 | 2002 | 20 | | | | | | | | | | | | | |
| Prior accident years | | 21 | | | | | | | | | | | | | |
| Total (11 to 21) | | 29 | | 219 | | 4298 | 9817 | 48 | 13314 | 229 | 620 | | | | |
| Line 29 expressed in sterling | | 30 | | | | 4298 | 9817 | 48 | 13314 | 229 | 620 | | | | |

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

Global business

Financial year ended **31st December 2011**

| | | 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 | Company registration number | GL/UK/CM | Period ended | | | units |
|--|----|-----------------------------------|---|---|-------------------------------------|--|---------------------------|------------------------------|-----------------------------------|----------|--------------|-----|-------|-------|
| | | | | | | | | | R37 | 110410 | GL | day | month | year |
| Calculation of the maximum provision | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | | | |
| Total net premiums written in the previous 4 years | 11 | 9008 | | | | | | | | | | | | |
| Net premiums written in the current year | 12 | 1924 | | | | | | | | | | | | |
| Maximum provision | 13 | 437 | | | | | 437 | | | | | | | |

Calculation of the transfer to/from the provision

| | | | | | | | | | | | | | | |
|--|----|----|--|--|--|--|--|-----|--|--|--|--|--|--|
| Equalisation provision brought forward | 21 | | | | | | | 360 | | | | | | |
| Transfers in | 22 | 58 | | | | | | 58 | | | | | | |
| 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 | | | | | | | 418 | | | | | | |
| Excess, if any, of 26 over 13 | 27 | | | | | | | | | | | | | |
| Equalisation provision carried forward (26-27) | 28 | | | | | | | 418 | | | | | | |
| Transfer in/(out) for financial year (28-21) | 29 | | | | | | | 58 | | | | | | |

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

Global business

Financial year ended **31st December 2011**

| | | Company registration number | | GL/UK/CM | Period ended | | | units |
|------------------------------------|-----------|--------------------------------|---|---|-------------------------------|---|-------|-------|
| | | R38 | 110410 | | day | month | year | |
| | | | | GL | 31 | 12 | 2011 | £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 | 1924 | | | | | | |
| Claims incurred net of reinsurance | 12 | 672 | | | | | | |
| Trigger claims value | 13 | 1395 | | | | | | |
| 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 2011**

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 | | | | | | | |
| Endurance Specialty Insurance Company Wellesley House 90 Pitts Bay Road Pembroke HN08 Bermuda | | | 204 | 7 | | | |
| ACE Ltd 17 Woodbourne Avenue Hamilton HM 08 Bermuda | | | 80 | | | | |
| Aviva Re Limited, Cannon's Court 22 Victoria Street Hamilton HM 12 Bermuda | Fellow group undertaking from 31 March 2005 | | 631 | | | | |
| General Reinsurance UK Ltd (Berkshire Hathaway Inc) 3555 Farnam Street Suite 1440 Omaha NE68131 USA | | | 106 | 3 | | | |
| Swiss Reinsurance Company Ltd Mythenquai 50/60 PO Box 8022 Zurich Switzerland | | | 3,759 | 206 | | | |

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**

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 | | | 2,559 | 56 | | | |
| RenaissanceRe Holdings Ltd Renaissance House 12 Crow Lane Pembroke HM 19 Bermuda | | | 909 | | | | |
| Platinum Re (UK) Ltd, 10 St Mary Axe London EC3A 8EN | | | 4 | 3 | | | |
| Aviva International Insurance Ltd 1 Undershaft St Helens London EC3P 3DQ | Parent undertaking | 185,269 | | | | | |
| Aviva Insurance Ltd 1 Undershaft St Helens London EC3P 3DQ | Parent undertaking | 36,837 | | 17,577 | | 184,317 | Balances transferred from Aviva International Insurance Ltd under a Part VII transfer |

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**

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 2011**

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 2011**

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 2011**

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

Until 14th November 2011, 100% of the issued share capital of the Company was held by Aviva International Insurance Limited, which also controlled 100% of the voting rights.

Since 14th November 2011, 100% of the issued ordinary share capital of the Company has been held by Aviva Insurance Limited, which also controls 100% of the voting rights.

100% of the issued ordinary share capital of Aviva Insurance Limited 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 2011**

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: | 01/01/2011 to 31/12/2011 – 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 2011**

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 2011*****0301* Reconciliation of Net Admissible Assets to Capital Resources**

| | 2011 £000 | 2010 £000 |
|-----------------------|--------------|--------------|
| Form 13, Line 89 | 380,084 | 425,868 |
| Less | | |
| Form 15, Line 69 | 303,283 | 345,943 |
| | <hr/> | <hr/> |
| Net admissible assets | 76,801 | 79,925 |
| | <hr/> | <hr/> |
| Capital resources | | |
| Form 3, Line 79 | 76,801 | 79,925 |
| | <hr/> | <hr/> |

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

| | 2011 £000 | 2010 £000 |
|--------------------|--------------|--------------|
| Form 3, Line 12.4 | 18,525 | 14,530 |
| Form 16, Line 59.1 | (3,124) | 3,995 |
| | <hr/> | <hr/> |
| Form 3, Line 12.3 | 15,401 | 18,525 |
| | <hr/> | <hr/> |

***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 2011**

***1305* Counterparty Limits**

The Company's management of credit risk is carried out in accordance with the Aviva plc credit risk framework, 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 and duration of exposure concerned. Exposure levels are reported to, and reviewed by, the UK General Insurance Financial Risk Committee ("UKGI FRC") within Aviva plc, with additional oversight provided by the Aviva plc Group Credit Approvals Committee. Where exposures have been in excess of the credit limit, these have been approved by the UKGI FRC. There have been no material breaches of credit limits during the year which have not received approval from the UKGI FRC.

The Aviva plc credit risk framework also incorporates the management of exposure to reinsurance counterparties. There are a range of reinsurers that have acceptable credit ratings and reinsurer exposure and the impact of any reinsurer default are monitored regularly. The Company has a significant exposure to its parent company, Aviva Insurance Limited, arising from a quota share reinsurance agreement entered into originally in 2006 by Aviva International Insurance Limited, and transferred to Aviva Insurance Limited in 2011.

***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 (2010 - £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 2010, the CEP was £360k; in 2011 it is £418k, an increase of £58k. Form 16 line 41 shows the decrease in the commission expense to offset the increase 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 2011*****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 | 378 | 82 | 1 | 15 |
| Fire and other damage to property | 69 | 15 | | 3 |
| Classes 16, 17 and 18 combined | 240 | 53 | 1 | 9 |
| Total | 687 | 150 | 2 | 27 |
| MIXED COMMERCIAL PACKAGE | | | | |
| Fire and other damage to property | 930 | 543 | 70 | 486 |
| Liability | 421 | 246 | 32 | 220 |
| Classes 16, 17 and 18 combined | 102 | 59 | 7 | 53 |
| Total | 1,453 | 848 | 109 | 759 |

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

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

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

The Company is not authorised to write class 6 (ships). It has never written classes 4 (railway rolling stock), 5 (aircraft) and 11 (aircraft liability). In respect of authorisation classes 12 (liability for ships), 14 (credit), 3 (land vehicles) and 10 (motor vehicle liability) no new contracts of insurance have been effected by the Company since December 1986, May 2000, February 2009 and February 2009 respectively. It currently writes elements of all other classes.

Supplementary Notes to the Returns

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2011**

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

The Company has been funded by its parent companies, Aviva International Insurance Limited (All) and Aviva Insurance Limited (AI) 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 balances owed to All, AI and AIUK were nil, £36,259k and nil respectively. The maximum amount owed to each company during the year was £48,020k, £36,529k and £8,844k respectively.

Until 14th November 2011, the Company ceded 100% of the net premiums, claims and expenses of its policies incepted since 1st January 2006 to its then parent company, Aviva International Insurance Limited. The premiums ceded in 2011 amounted to £185,269k. On 14th November 2011, this contract was transferred to its current parent, Aviva Insurance Limited, and the premiums ceded subsequently were £36,837k. Further details are given on page 41.

***2102* Unearned Premiums**

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

***2202* Claims Management Costs**

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

The claims management costs which would otherwise appear on form 22 are 100% reinsured and therefore are net nil this financial year.

***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 2011 or 2010.

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 2011**

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

Adam Winslow
Director

Richard Spicker
Company Secretary

London
23rd March 2012

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 2011**

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 auditor

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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 audit.

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 2012. 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 2011**

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
Statutory Auditor
London
23rd March 2012