

Gresham Insurance Company Limited

Annual FSA Insurance Returns for the year ended 31st December 2012



(Appendices 9.1, 9.2, 9.5, 9.6)

Gresham Insurance Company Limited

Year ended 31st December 2012

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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 2012**

Solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R1	110410	GL	31	12	2012	£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	79596	76801
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	79596	76801

Guarantee fund

Guarantee fund requirement	21	6460	6727
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	73136	70074

Minimum capital requirement (MCR)

General insurance capital requirement	31	19379	20181
Base capital resources requirement	33	2984	3056
Individual minimum capital requirement	34	19379	20181
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	19379	20181
Excess (deficiency) of available capital resources to cover 50% of MCR	37	69906	66711
Excess (deficiency) of available capital resources to cover 75% of MCR	38	65061	61666

Capital resources requirement (CRR)

Capital resources requirement	41	19379	20181
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	60217	56620

Contingent liabilities

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

Form 1

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**



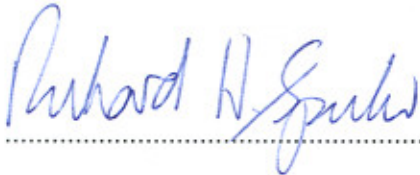
..... Clifford Abrahams

Director



..... Anthony Middle

Director



..... Richard Spicker

Company Secretary

London, 25th March 2013

Components of capital resources

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

Global business

Financial year ended **31st December 2012**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	110410	GL	31	12	2012	£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	19686		19686	15401
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	81086		81086	76801

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	81086		81086	76801
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34	(104)		(104)	
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37	(104)		(104)	
Total tier one capital after deductions (31-37)	39	81190		81190	76801

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

Global business

Financial year ended **31st December 2012**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	110410	GL	31	12	2012	£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 2012**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	110410	GL	31	12	2012	£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	81190		81190		76801
Inadmissible assets other than intangibles and own shares	73					
Assets in excess of market risk and counterparty limits	74	1594		1594		
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	79596		79596		76801

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	79596		79596		76801
Available capital resources for 50% MCR requirement	82	79596		79596		76801
Available capital resources for 75% MCR requirement	83	79596		79596		76801

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 2012**

General insurance business

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R11	110410	GL	31	12	2012	£000
			This financial year		Previous year	
			1		2	
Gross premiums written		11	231818		237927	
Premiums taxes and levies (included in line 11)		12				
Premiums written net of taxes and levies (11-12)		13	231818		237927	
Premiums for classes 11, 12 or 13 (included in line 13)		14	1122			
Premiums for "actuarial health insurance" (included in line 13)		15				
Sub-total A (13 + 1/2 14 - 2/3 15)		16	232379		237927	
Gross premiums earned		21	235451		245975	
Premium taxes and levies (included in line 21)		22				
Premiums earned net of taxes and levies (21-22)		23	235451		245975	
Premiums for classes 11, 12 or 13 (included in line 23)		24	1215			
Premiums for "actuarial health insurance" (included in line 23)		25				
Sub-total H (23 + 1/2 24 - 2/3 25)		26	236059		245975	
Sub-total I (higher of sub-total A and sub-total H)		30	236059		245975	
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	42491		44276	
	Excess (if any) over 61.3M EURO x 0.02	33	3732		3915	
Sub-total J (32-33)		34	38759		40361	
Claims paid in period of 3 financial years		41	410095		450090	
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	79245		64761	
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	99934		95932	
Sub-total C (41+42+43-44-45)		46	389406		418919	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	347474		402784	
Sub-total D (46-47)		48	41932		16135	
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	19380		20181	
Provisions for claims outstanding (before discounting and net of reinsurance)		51	2678		4919	
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	10987		17285	
Greater of lines 50 and 53		54	19380		20181	

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 2012**

General insurance business

		Company registration number	GL/UK/CM	Period ended			units	
		R12	110410	GL	31	12	2012	£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			410095		450090	
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			79245		64761	
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			99934		95932	
Claims incurred in reference period (21+22+23-24-25)		26			389406		418919	
Claims incurred for classes 11, 12 or 13 (included in 26)		27			5131			
Claims incurred for "actuarial health insurance" (included in 26)		28						
Sub-total E (26 + 1/2 27 - 2/3 28)		29			391972		418919	
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			130657		139640	
Division of sub-total F (gross adjusted claims amount)	X 0.26	32			33971		36306	
	Excess (if any) over 42.9M EURO x 0.03	33			2882		3134	
Sub-total G (32 - 33)		39			31089		33172	
Claims amount Sub-total G x reinsurance ratio (11.49)		41			15545		16586	
Higher of premiums amount and brought forward amount (11.54)		42			19379		20181	
General insurance capital requirement (higher of lines 41 and 42)		43			19379		20181	

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

Global business

Financial year ended **31st December 2012**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	2012	£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		3838
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		22547
	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 2012**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	2012	£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	120977	124610
Claims outstanding	61	76559	59842
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	123347	130278
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		8293
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	70	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	36295	33553
Other prepayments and accrued income	86	228	105

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	383861	381008
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Analysis of admissible assets**Form 13
(Sheet 3)**Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**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	2012		
			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	383861	381008
Admissible assets in excess of market and counterparty limits	92	1594	
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	(1376)	
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	384079	381008
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103	3838	

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

Global business

Financial year ended **31st December 2012**

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R15	110410	GL	31	12	2012	£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	120977	124610
Claims outstanding		12	79245	64761
Provision for unexpired risks		13		
Equalisation provisions	Credit business	14		
	Other than credit business	15	378	418
Other technical provisions		16		
Total gross technical provisions (11 to 16)		19	200600	189789

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41	924	1473
	Reinsurance accepted	42		
	Reinsurance ceded	43	14561	938
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46	2873	7117
Creditors	Taxation	47	1485	1844
	Foreseeable dividend	48		
	Other	49	17155	48405
Accruals and deferred income		51	66667	54641
Total (19 to 51)		59	304265	304207
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	304265	304207

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71	304265	36118
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Amounts deducted from technical provisions for discounting	82	1272	
Other adjustments (may be negative)	83		
Capital and reserves	84	81086	76801
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	384079	381008

Profit and loss account (non-technical account)

Form 16

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

		Company registration number	GL/UK/CM	Period ended			units	
		R16	110410	GL	31	12	2012	£000
				This financial year		Previous year		
				1		2		
Transfer (to) / from the general insurance business technical account	From Form 20	11	1779	(207)				
	Equalisation provisions	12	40	(58)				
Transfer from the long term insurance business revenue account		13						
Investment income	Income	14	150	171				
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17	4	16				
	Value re-adjustments on investments	18	1					
	Loss on the realisation of investments	19	3					
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21	3705	6674				
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	5666	6564				
Tax on profit or loss on ordinary activities		31	1381	1746				
Profit or loss on ordinary activities after tax (29-31)		39	4285	4818				
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41		58				
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	4285	4876				
Dividends (paid or foreseeable)		51		8000				
Profit or loss retained for the financial year (49-51)		59	4285	(3124)				

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 2012**

Category number	FSA return general insurance business reporting category	R20A	Company registration number	GL/UK/CM	Period ended			units
			110410	GL	day	month	year	
			1	2	3	4		
					31	12	2012	£000
			Gross premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
				Reported	Incurred but not reported			
001	Total business	1	231818	70878	5622		120977	
002	Total primary (direct) and facultative business	2	231818	70878	5622		120977	
003	Total treaty reinsurance accepted business	3						
110	Total primary (direct) and facultative accident & health (category numbers 111 to 114)	4	92	359	5		43	
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5		11913	259			
160	Primary (direct) and facultative household and domestic all risks.	6	228856	56914	4506		119709	
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	440	133	713			
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8						
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9	362	24	6		180	
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10	2063	1535	133		1044	
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11	2					
330	Total primary (direct) and facultative aviation (category number 331 to 333)	12						
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13	3				1	
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	231818	70878	5622		120977	

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 2012**

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	31	
		1	2	3						

PRIMARY (DIRECT) and FACULTATIVE PERSONAL LINES BUSINESS

111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23	52	345	3	25
114	Personal accident or sickness	24	40	14	2	18
121	Private motor - comprehensive	25		7924	196	
122	Private motor - non-comprehensive	26		3989	63	
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28	228856	56914	4506	119709
181	Assistance	29				
182	Creditor	30	440	133	713	
183	Extended warranty	31				
184	Legal expenses	32				
185	Mortgage indemnity	33				
186	Pet insurance	34				
187	Other personal financial loss	35				

PRIMARY (DIRECT) and FACULTATIVE COMMERCIAL LINES BUSINESS

221	Fleets	41				
222	Commercial vehicles (non-fleet)	42				
223	Motor other	43				
261	Commercial property	44	315			156
262	Consequential loss	45	41	20	6	21
263	Contractors or engineering all risks	46	6	4		3
271	Employers liability	47	159	69	1	75
272	Professional indemnity	48				
273	Public and products liability	49	578	220	30	286
274	Mixed commercial package	50	1326	1246	102	683
281	Fidelity and contract guarantee	51				
282	Credit	52				
283	Suretyship	53	2			
284	Commercial contingency	54				

General insurance business - summary of business carried on

Form 20A
(Sheet 3)Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	Period ended			units	
				day	month	year		
		R20A	110410	GL	31	12	2012	£000
				Gross premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year	
				1	Reported	Incurred but not reported	4	
					2	3		

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

331	Aviation liability	61					
332	Aviation hull	62					
333	Space and satellite	63					
341	Marine liability	64					
342	Marine hull	65					
343	Energy (on and off-shore)	66					
344	Protection and indemnity	67					
345	Freight demurrage and defence	68					
346	War risks	69					
347	Yacht	70	3				1
350	Total primary (direct) and facultative goods in transit (equals line 14)	71					

PRIMARY (DIRECT) and FACULTATIVE: MISCELLANEOUS

400	Miscellaneous primary (direct) and facultative business (equals line 15)	72					
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NON-PROPORTIONAL TREATY

510	Non-proportional accident & health	81					
520	Non-proportional motor	82					
530	Non-proportional aviation	83					
540	Non-proportional marine	84					
550	Non-proportional transport	85					
560	Non-proportional property	86					
570	Non-proportional liability (non-motor)	87					
580	Non-proportional financial lines	88					
590	Non-proportional aggregate cover	89					

PROPORTIONAL TREATY

610	Proportional accident & health	91					
620	Proportional motor	92					
630	Proportional aviation	93					
640	Proportional marine	94					
650	Proportional transport	95					
660	Proportional property	96					
670	Proportional liability (non-motor)	97					
680	Proportional financial lines	98					
690	Proportional aggregate cover	99					

TREATY REINSURANCE: MISCELLANEOUS

700	Miscellaneous treaty reinsurance accepted business	101					
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TOTAL (lines 21 to 101)	111	231818	70878	5622	120977		
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General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

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	2012	£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				1904		1967
	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					514	645
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					1390	1322
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21						
	Claims incurred (22. 13. 4)	22				(1110)		2092
	Claims management costs (22. 14. 4)	23				617		(563)
	Adjustment for discounting (22. 51. 4)	24				(104)		
	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					389	(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			1779	(207)
Allocated investment return				51				
Transfer to non-technical account (49+51)				59			1779	(207)

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

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	2012	£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				1904		1967
	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					514	645
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					1390	1322
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21						
	Claims incurred (22. 13. 4)	22				(1110)		2092
	Claims management costs (22. 14. 4)	23				617		(563)
	Adjustment for discounting (22. 51. 4)	24				(104)		
	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					389	(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			1779	(207)
Allocated investment return				51				
Transfer to non-technical account (49+51)				59			1779	(207)

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

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	2012	£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						
	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						
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21						
	Claims incurred (22. 13. 4)	22			(1902)	2126		
	Claims management costs (22. 14. 4)	23			29	(173)		
	Adjustment for discounting (22. 51. 4)	24			(104)			
	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			1769	(1953)		
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		1769	(1953)	
Allocated investment return				51				
Transfer to non-technical account (49+51)				59		1769	(1953)	

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

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	2012	£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	1864		1924			
	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	502		561			
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	1362		1363			
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21						
	Claims incurred (22. 13. 4)	22	192		672			
	Claims management costs (22. 14. 4)	23	588		(387)			
	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	(780)		(285)			
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	582		1078	
Allocated investment return				51				
Transfer to non-technical account (49+51)				59	582		1078	

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

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	2012	£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				40		43
	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					12	84
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					28	(41)
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21						
	Claims incurred (22. 13. 4)	22				600		(706)
	Claims management costs (22. 14. 4)	23						(3)
	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					(600)	709
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			(572)	668
Allocated investment return				51				
Transfer to non-technical account (49+51)				59			(572)	668

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 2012**

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	2012	£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	4	4					
	For periods of 12 months	14	110837	120977	108933	120977	1904		
	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	124610	124610					
Total (12 to 16)		19	235451	120977	233547	120977	1904		

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 2012**

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	2012	£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	4	4					
	For periods of 12 months	14	110837	120977	108933	120977	1904		
	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	124610	124610					
Total (12 to 16)		19	235451	120977	233547	120977	1904		

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 2012**

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	2012	£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								
	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								
Total (12 to 16)		19								

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 2012**

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	2012	£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	109147	119709	107283	119709	1864			
	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	123171		123171					
Total (12 to 16)		19	232318	119709	230454	119709	1864			

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 2012**

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	2012	£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	4	4					
	For periods of 12 months	14	1690	1268	1650	1268	40		
	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	1439	1439					
Total (12 to 16)		19	3133	1268	3093	1268	40		

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 2012**

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	62018	41964	25717	5663		
	Reinsurers' share	12	57099	40226	23646	6773		
	Net (11-12)	13	4919	1738	2071	(1110)		
	Claims management costs	14		2	615	617		
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		63846	50783	114629		
	Reinsurers' share	16		63846	50783	114629		
	Net (15-16)	17						
	Claims management costs	18						
Provision for unexpired risks	19							
Net operating expenses	Commissions	21	24181	62419	23195	63405		
	Other acquisition expenses	22						
	Administrative expenses	23		514		514		
	Reinsurance commissions and profit participations	24	24181	62419	23195	63405		
	Total (21+22+23-24)	29		514		514		
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31			1272	1272		
	Reinsurers' share	32			1376	1376		
	Claims management costs	33						
	Total (31-32+33)	39				(104)	(104)	
Split of line 29	Prior financial years	41						
	This financial year	42		514		514		
Split of line 39	Incidents occurring prior to this financial year	51			(104)	(104)		
	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 2012**

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	62018	41964	25717	5663		
	Reinsurers' share	12	57099	40226	23646	6773		
	Net (11-12)	13	4919	1738	2071	(1110)		
	Claims management costs	14		2	615	617		
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		63846	50783	114629		
	Reinsurers' share	16		63846	50783	114629		
	Net (15-16)	17						
	Claims management costs	18						
Provision for unexpired risks	19							
Net operating expenses	Commissions	21	24181	62419	23195	63405		
	Other acquisition expenses	22						
	Administrative expenses	23		514		514		
	Reinsurance commissions and profit participations	24	24181	62419	23195	63405		
	Total (21+22+23-24)	29		514		514		
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31			1272	1272		
	Reinsurers' share	32			1376	1376		
	Claims management costs	33						
	Total (31-32+33)	39				(104)	(104)	
Split of line 29	Prior financial years	41						
	This financial year	42		514		514		
Split of line 39	Incidents occurring prior to this financial year	51			(104)	(104)		
	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 2012**

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	14084	3794	12172	1882		
	Reinsurers' share	12	10840	3136	11488	3784		
	Net (11-12)	13	3244	658	684	(1902)		
	Claims management costs	14			29	29		
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			1272	1272		
	Reinsurers' share	32			1376	1376		
	Claims management costs	33						
	Total (31-32+33)	39			(104)	(104)		
Split of line 29	Prior financial years	41						
	This financial year	42						
Split of line 39	Incidents occurring prior to this financial year	51			(104)	(104)		
	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 2012**

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	2012	£000	160
		Amount brought forward from previous financial year	Amount payable / receivable in this financial year	Amount carried forward to next financial year		Amount attributable to this financial year		
		1	2	3		4		
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	45568	37516	11124		3072	
	Reinsurers' share	12	44028	36436	10472		2880	
	Net (11-12)	13	1540	1080	652		192	
	Claims management costs	14		2	586		588	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		63032	50296		113328	
	Reinsurers' share	16		63032	50296		113328	
	Net (15-16)	17						
	Claims management costs	18						
Provision for unexpired risks	19							
Net operating expenses	Commissions	21	23931	61912	22974		62869	
	Other acquisition expenses	22						
	Administrative expenses	23		502			502	
	Reinsurance commissions and profit participations	24	23931	61912	22974		62869	
	Total (21+22+23-24)	29		502			502	
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		502			502	
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 2012**

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	2012	£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	2366	654		2421		709
	Reinsurers' share	12	2231	654		1686		109
	Net (11-12)	13	135			735		600
	Claims management costs	14						
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		814		487		1301
	Reinsurers' share	16		814		487		1301
	Net (15-16)	17						
	Claims management costs	18						
Provision for unexpired risks	19							
Net operating expenses	Commissions	21	250	507		221		536
	Other acquisition expenses	22						
	Administrative expenses	23		12				12
	Reinsurance commissions and profit participations	24	250	507		221		536
	Total (21+22+23-24)	29		12				12
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		12				12
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 2012**

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	2012	£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	2012	11										1904		
12	2011	12										1967		
12	2010	13										1936		
12	2009	14										2074		
12	2008	15										2169		
12	2007	16										3974		
12	2006	17	41452	14160	13044	898	1313	2784		(573)		86854	7.7	65.3
12	2005	18	53619	31991	40531	606	282	1381		(493)	(104)	140515	29.5	67.6
12	2004	19	47607	31792	29548	57	302	625		(266)		134003	(5.9)	57.8
12	2003	20	32929	28704	24807	159	153	105		207		113995	(12.5)	50.9
Prior accident years		21				18	21	24		15				
Reconciliation		22												
Total (11 to 22)		29				1738	2071	4919		(1110)	(104)			

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 2012**

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			R23	110410	GL	31	12	2012	£000	002								
Month	Year																							
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration / (surplus) of original reserve %	Claims ratio %										
		1	2	3	4	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	9	10	11	12	13										
12	2012	11										1904												
12	2011	12										1967												
12	2010	13										1936												
12	2009	14										2074												
12	2008	15										2169												
12	2007	16										3974												
12	2006	17	41452	14160	13044	898	1313	2784		(573)		86854	7.7	65.3										
12	2005	18	53619	31991	40531	606	282	1381		(493)	(104)	140515	29.5	67.6										
12	2004	19	47607	31792	29548	57	302	625		(266)		134003	(5.9)	57.8										
12	2003	20	32929	28704	24807	159	153	105		207		113995	(12.5)	50.9										
Prior accident years		21				18	21	24		15														
Reconciliation		22																						
Total (11 to 22)		29				1738	2071	4919		(1110)	(104)													

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 2012**

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	2012	£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	2012	11												
12	2011	12												
12	2010	13										10		
12	2009	14										121		
12	2008	15										194		
12	2007	16										521		
12	2006	17	617	404	4663	552	799	2357		(1006)		1331	1388.6	498.2
12	2005	18	2	146	766	106	(115)	887		(896)	(104)	160	418.5	474.4
12	2004	19												
12	2003	20												
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29				658	684	3244		(1902)	(104)			

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 2012**

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	2012	£000	160					
		1	2	3	4	5	6	7	8	9	10	11	12	13
12	2012	11										1864		
12	2011	12										1924		
12	2010	13										1871		
12	2009	14										1893		
12	2008	15										1906		
12	2007	16										3337		
12	2006	17	40491	13756	7060	346	205	427		124		85202	(44.7)	56.5
12	2005	18	53297	31845	39737	500	104	492		112		137745	26.7	68.0
12	2004	19	47266	31254	29401	57	169	492		(266)		130790	(5.2)	58.8
12	2003	20	32461	27775	24431	159	153	105		207		109200	(10.9)	52.4
Prior accident years		21				18	21	24		15				
Reconciliation		22												
Total (11 to 22)		29				1080	652	1540		192				

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 2012**

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	2012	£000	409					
		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	2012	11										40		
12	2011	12										43		
12	2010	13										55		
12	2009	14										60		
12	2008	15										69		
12	2007	16										116		
12	2006	17	344		1321	309				309		321		615.0
12	2005	18	320		28	293		2		291		2610		24.6
12	2004	19	341	538	147	133		133				3213	(48.0)	19.3
12	2003	20	468	929	376							4795	(59.5)	17.6
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29				735		135		600				

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 2012**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	2012	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	2012	11	37129	12275		63032	45963	4333			113328	232318	48.8
12	2011	12	65076	1631	57313	24982	3719	128	28437	4214	(3822)	240496	35.8
12	2010	13	110056	629	130152	6961	2714	43	6051	324	3343	233959	59.8
12	2009	14	113226	307	124997	2138	1864	2	2444	43	1517	237672	54.3
12	2008	15	119377	156	140131	988	1134		1138	8	976	239319	59.4
12	2007	16	144171	51	205792	1021	524		1040	7	498	221582	93.6
12	2006	17	112354	58	134562	693	417		616	2	492	177552	76.4
12	2005	18	85078	14	95749	500	236		624		112	149711	64.4
12	2004	19	70049	10	77405	56	169		492		(267)	140057	55.4
12	2003	20	46808	34	56892	159	153		105		207	115388	49.6
Prior accident years		21		1795		18	21		23		16		
Total (11 to 21)		29		16960		100548	56914	4506	40970	4598	116400		
Line 29 expressed in sterling		30				100548	56914	4506	40970	4598	116400		

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 2012**Reporting territory **United Kingdom other than home foreign**

FSA general insurance business reporting category

Private motor comprehensive

Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Company registration number			Period ended			Monetary units	Category number	Currency code	Reporting territory code
										GL/UK/CM	day	month	year	day	month				
Month	Year	Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported	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 %					
		1	2	3	4	5	6	7	8	9	10	11	12	13					
12	2012	11																	
12	2011	12																	
12	2010	13	577	1	650	16	1	16	49	10	(26)	1068	64.0	4	14.5				
12	2009	14	8017	58	10807	848	1670	23	2577	34	(70)	13871	96.2	39	20.7				
12	2008	15	12071	14	17439	860	264	49	1404		(231)	21986	84.7	68	17.8				
12	2007	16	17448	23	24336	476	2111	93	2557	3	120	28659	94.3	96	18.2				
12	2006	17	8547	15	14459	973	1958	15	2344	1	601	14867	117.1	47	18.2				
12	2005	18	99	4	756	107	1920		886		1141	138	2016.7	1	10.3				
12	2004	19																	
12	2003	20																	
Prior accident years		21																	
Total (11 to 21)		29		115	3280	7924	196	9817	48	1535									
Line 29 expressed in sterling		30			3280	7924	196	9817	48	1535									

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

Global business

Financial year ended **31st December 2012**

		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		Period ended			units	
									GL/UK/CM	day	month	year			
		1	2	3	4	5	6	7	R37	110410	GL	31	12	2012	£000
Calculation of the maximum provision															
Total net premiums written in the previous 4 years	11	7594													
Net premiums written in the current year	12	1864													
Maximum provision	13	378					378								

Calculation of the transfer to/from the provision

Equalisation provision brought forward	21						418								
Transfers in	22	56					56								
Total abnormal loss	23														
Provisional transfers out	24														
Excess of provisional transfer out over fund available	25														
Provisional amount carried forward (21+22-24+25)	26						474								
Excess, if any, of 26 over 13	27						96								
Equalisation provision carried forward (26-27)	28						378								
Transfer in/(out) for financial year (28-21)	29						(40)								

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

Global business

Financial year ended **31st December 2012**

		Company registration number		GL/UK/CM	Period ended			units
		R38	110410		day	month	year	
				GL	31	12	2012	£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	1864						
Claims incurred net of reinsurance	12	192						
Trigger claims value	13	1351						
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 2012**

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
International Property Catastrophe Reinsurance Ltd 29 Richmond Road Pembroke HM08 Bermuda							
Endurance Specialty Insurance Company Wellesley House 90 Pitts Bay Road Pembroke HN08 Bermuda			234	28		64	
ACE Ltd 17 Woodbourne Avenue Hamilton HM 08 Bermuda			102	13			
Aviva Re Limited, Cannon's Court 22 Victoria Street Hamilton HM 12 Bermuda	Fellow group undertaking from 31 March 2005		231				
General Reinsurance UK Ltd (Berkshire Hathaway Inc) 3555 Farnam Street Suite 1440 Omaha NE68131 USA			128	13		94	
Swiss Reinsurance Company Ltd Mythenquai 50/60 PO Box 8022 Zurich Switzerland			4,190	301		661	
Munich Reinsurance Co. 107 Koenigstrasse 80802 Munich Germany			2,914	78		538	
RenaissanceRe Holdings Ltd Renaissance House 12 Crow Lane Pembroke HM 19 Bermuda			723	153			

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

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

Reinsurer Details	Connection	Prop. RI Treaties £000	Non Prop. RI Treaties £000	Debts Outst' ding £000	Deposits Received £000	Anticipated Recoveries £000	Comments
Platinum Re (UK) Ltd, 10 St Mary Axe London EC3A 8EN							
Aviva International Insurance Ltd 1 Undershaft St Helens London EC3P 3DQ	Parent undertaking						
Aviva Insurance Ltd 1 Undershaft St Helens London EC3P 3DQ	Parent undertaking	214,104				61,830	

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

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 2012**

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 2012**

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.

Futures may be used to implement asset allocation decisions, where this is more efficient than trading in the underlying securities or would avoid disruption to asset allocation strategies.

Forward foreign exchange contracts may be used to manage the impact of currency fluctuations on the balance sheet and to hedge cash flows. No forward foreign exchange contracts were entered into during the year.

Transactions in financial options may only be undertaken with the prior approval of the Group Derivatives Committee. Their use is limited to balance sheet risk reduction, including the management of the solvency capital surplus. No financial options were entered into during the year.

Except for foreign exchange swaps (referred above), swaps may only be undertaken following the prior approval of the Group Derivatives Committee. Their use is limited to balance sheet risk reduction. No swaps were entered into during the year.

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 2012**

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

100% of the issued ordinary share capital of the Company has been held throughout the year by Aviva 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 2012**

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:	01/01/2012 to 31/12/2012 – 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 2012**

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 2012*****0301* Reconciliation of Net Admissible Assets to Capital Resources**

	2012 £000	2011 £000
Form 13, Line 89	383,861	381,008
Less		
Form 15, Line 69	304,265	304,207
	<hr/>	<hr/>
Net admissible assets	79,596	76,801
	<hr/>	<hr/>
Capital resources		
Form 3, Line 79	79,596	76,801
	<hr/>	<hr/>

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

	2012 £000	2011 £000
Form 3, Line 12.4	15,401	18,525
Form 16, Line 59.1	4,285	(3,124)
	<hr/>	<hr/>
Form 3, Line 12.3	19,686	15,401
	<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 2012**

***1305* Counterparty Limits**

The Company's management of credit risk is carried out in accordance with the Aviva Group 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&I Financial Risk Committee ("UKGI FRC") within Aviva plc, with additional oversight provided by Group ALM. Where exposures approach or exceed credit limits, these are reviewed with alternate actions considered. In some circumstances breach positions are risk accepted; in these cases the position is reviewed at least annually.

The Aviva Group credit risk framework also incorporates the management of exposure to reinsurance counterparties, including actual and contingent reinsurance exposure. Reinsurance exposures are monitored at an Aviva Group level as most reinsurance programmes are placed on a Group wide basis. 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 (2011 - £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 principally represents domestic emergency cover collected on behalf of a third party, for which a profit element is retained.

In addition, 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 reserve (CER) in liabilities but instead include a profit commission expense payable as a result of the release of the CER under IFRS. In 2011, the CER was £418k; in 2012 it is £378k, a decrease of £40k. Line 21 of Form 16 includes the increase in the commission expense of £40k to offset the decrease in CER. 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 2012*****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	29	190	2	14
Fire and other damage to property	5	34		2
Classes 16, 17 and 18 combined	18	121	1	9
Total	52	345	3	25
MIXED COMMERCIAL PACKAGE				
Fire and other damage to property	849	797	65	437
Liability	385	361	30	198
Classes 16, 17 and 18 combined	92	88	7	48
Total	1,326	1,246	102	683

***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 2012**

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

The Company has been funded during the year by its parent company, Aviva Insurance Limited (AIL), through the settlement of certain of its expenses during the year. The maximum amount owed to AIL during the year was £34,726k. However, at the year-end there was a balance owing by AIL to the Company of £5,432k.

The Company has ceded 100% of the net premiums, claims and expenses of its policies incepted since 1st January 2006 to AIL. The premiums ceded in 2012 amounted to £214,104k. 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 2012 or 2011.

***3000* Form omitted**

Form 30 has been omitted because all entries would be blank as the business is fully reinsured.

Supplementary Notes to the Returns

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

***3003* Discounting**

An adjustment for discounting has been made in Personal Motor (120) in respect of structured settlements. This is 100% reinsured. The rate of interest used in the discounting calculations is based on risk-free rates, using applicable swap curves for the United Kingdom.

Directors' Certificate

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 2012

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



Anthony Middle
Director



Richard Spicker
Company Secretary

London
25th March 2013

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

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2012**

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 53.

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.

This report has been prepared for the directors of the insurer to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

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. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms and the statements.

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

Name of insurer Gresham Insurance Company Limited

Global business

Financial year ended 31st December 2012

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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
25th March 2013