

Aviva International Insurance Limited

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



(Appendices 9.1, 9.2, 9.5, 9.6)

Aviva International Insurance Limited

Year ended 31st December 2011

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Statement of solvency - general insurance business

Form 1

Name of insurer **Aviva International Insurance Limited**

Global business

Financial year ended **31st December 2011**

Adjusted solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R1	21487	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	7808746	8747161
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	7808746	8747161

Guarantee fund

Guarantee fund requirement	21	5847726	6258949
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	1961020	2488212

Minimum capital requirement (MCR)

General insurance capital requirement	31		345463
Base capital resources requirement	33	3056	3040
Individual minimum capital requirement	34	3056	345463
Capital requirements of regulated related undertakings	35	5846707	6143795
Minimum capital requirement (34+35)	36	5849763	6489258
Excess (deficiency) of available capital resources to cover 50% of MCR	37	4883865	5502532
Excess (deficiency) of available capital resources to cover 75% of MCR	38	3421424	3880218

Capital resources requirement (CRR)

Capital resources requirement	41	5849763	6489258
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	1958983	2257903

Contingent liabilities

Quantifiable contingent liabilities in respect of other than long-term insurance business as shown in a supplementary note to Form 15	51	712000	1704000
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Covering sheet to Form 1

Form 1

Name of insurer **Aviva International Insurance Limited**

Global business

Financial year ended **31st December 2011**

..... **Andrew Moss** **Chief Executive**

..... **Patrick Regan** **Director**

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

Components of capital resources

Form 3
(Sheet 1)Name of insurer **Aviva International Insurance Limited**

Global business

Financial year ended **31st December 2011**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	21487	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	7650000		7650000	7650430
Profit and loss account and other reserves	12	4448000		4448000	7094570
Share premium account	13	2639000		2639000	2639000
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16	(604285)		(604285)	(271883)
Core tier one capital (sum of 11 to 16)	19	14132715		14132715	17112117

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	14132715		14132715	17112117
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				184200
Other negative valuation differences	35				121960
Deductions in related undertakings	36	1890300		1890300	4738046
Deductions from tier one (32 to 36)	37	1890300		1890300	5044206
Total tier one capital after deductions (31-37)	39	12242415		12242415	12067911

Components of capital resources**Form 3
(Sheet 2)**Name of insurer **Aviva International Insurance Limited**

Global business

Financial year ended **31st December 2011**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	21487	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	76600		76600	102700
Upper tier two capital (44 to 47)	49	76600		76600	102700

Fixed term preference shares	51				
Other tier two instruments	52				
Lower tier two capital in related undertakings	53	197961		197961	285700
Lower tier two capital (51+52+53)	59	197961		197961	285700

Total tier two capital before restrictions (49+59)	61	274561		274561	388400
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69	274561		274561	388400

Components of capital resources**Form 3
(Sheet 3)**Name of insurer **Aviva International Insurance Limited**

Global business

Financial year ended **31st December 2011**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	21487	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	12516976		12516976	12456311
Inadmissible assets other than intangibles and own shares	73	7780		7780	2330045
Assets in excess of market risk and counterparty limits	74	4700450		4700450	1379105
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	7808746		7808746	8747161

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	7808746		7808746	8747161
Available capital resources for 50% MCR requirement	82	7808746		7808746	8747161
Available capital resources for 75% MCR requirement	83	7808746		7808746	8747161

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 **Aviva International Insurance 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	21487	GL	31	12	2011	£000
			This financial year		Previous year	
			1		2	
Gross premiums written		11				
Premiums taxes and levies (included in line 11)		12				
Premiums written net of taxes and levies (11-12)		13				
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				
Gross premiums earned		21				
Premium taxes and levies (included in line 21)		22				
Premiums earned net of taxes and levies (21-22)		23				
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				
Sub-total I (higher of sub-total A and sub-total H)		30				
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				
	Excess (if any) over 57.5M EURO x 0.02	33				
Sub-total J (32-33)		34				
Claims paid in period of 3 financial years		41				
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				
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				
Sub-total C (41+42+43-44-45)		46				
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47				
Sub-total D (46-47)		48				
Reinsurance ratio (Sub-total D / sub-total C or, if more, 0.50 or, if less, 1.00)		49		1.00		1.00
Premiums amount (Sub-total J x reinsurance ratio)		50				
Provisions for claims outstanding (before discounting and net of reinsurance)		51				1607393
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				345463
Greater of lines 50 and 53		54				345463

Calculation of general insurance capital requirement - claims amount and result

Form 12

Name of insurer **Aviva International Insurance 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	21487	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				
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				
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				
Claims incurred in reference period (21+22+23-24-25)		26				
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				
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				
Division of sub-total F (gross adjusted claims amount)	X 0.26	32				
	Excess (if any) over 40.3M EURO x 0.03	33				
Sub-total G (32 - 33)		39				
Claims amount Sub-total G x reinsurance ratio (11.49)		41				
Higher of premiums amount and brought forward amount (11.54)		42			345463	
General insurance capital requirement (higher of lines 41 and 42)		43			345463	

Analysis of admissible assets**Form 13
(Sheet 1)**Name of insurer **Aviva International Insurance 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	21487	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					6700

Investments in group undertakings and participating interests

UK insurance dependants	shares	21	1294506	3566340
	debts and loans	22		
Other insurance dependants	shares	23	1391963	3822600
	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		1100
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43		11700
Rights under derivative contracts	44		62000
Fixed interest securities	Approved	45	207290
	Other	46	292800
Variable interest securities	Approved	47	
	Other	48	423400
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		126500
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	146000
	More than one month withdrawal	55	
Other financial investments	56		

Analysis of admissible assets**Form 13
(Sheet 2)**Name of insurer **Aviva International Insurance 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	21487	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		
Claims outstanding	61		549280
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		9615
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		14050
	Ceded	75		
Dependants	due in 12 months or less	76	81600	289600
	due in more than 12 months	77		
Other	due in 12 months or less	78		18430
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	6100	168070
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		154017
Accrued interest and rent	84		25340
Deferred acquisition costs (general business only)	85		152400
Other prepayments and accrued income	86		100

Deductions from the aggregate value of assets	87	741170	3109216
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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	2032999	6938116
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Analysis of admissible assets**Form 13
(Sheet 3)**Name of insurer **Aviva International Insurance 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			Category of assets		
		day	month	year			
R13	21487	GL	31	12	2011	£000	1
				As at end of this financial year	As at end of the previous year		
				1	2		

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	2032999	6938116
Admissible assets in excess of market and counterparty limits	92	4700450	1379105
Inadmissible assets directly held	93	7780	2330045
Capital resources requirement deduction of regulated related undertakings	94	5846707	6143795
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95	297500	306100
Inadmissible assets of regulated related undertakings	96	1433559	5023801
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	488965	(708372)
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		(134900)
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	14807960	21277690
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103	60400	61200

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

Global business

Financial year ended **31st December 2011**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R15	21487	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			719700
Claims outstanding		12			2148110
Provision for unexpired risks		13			
Equalisation provisions	Credit business	14			
	Other than credit business	15			122027
Other technical provisions		16			
Total gross technical provisions (11 to 16)		19			2989837

Provisions and creditors

Provisions	Taxation	21			3000
	Other risks and charges	22			19290
Deposits received from reinsurers		31			
Creditors	Direct insurance business	41			
	Reinsurance accepted	42			185670
	Reinsurance ceded	43			
Debenture loans	Secured	44			
	Unsecured	45			
Amounts owed to credit institutions		46			
Creditors	Taxation	47			
	Foreseeable dividend	48			
	Other	49		70960	1134863
Accruals and deferred income		51			2090
Total (19 to 51)		59		70960	4334750
Provision for "reasonably foreseeable adverse variations"		61			
Cumulative preference share capital		62			
Subordinated loan capital		63			
Total (59 to 63)		69		70960	4334750

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance		71			278700
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Amounts deducted from technical provisions for discounting		82			319100
Other adjustments (may be negative)		83			(121960)
Capital and reserves		84		14737000	17384000
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		14807960	21277690

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

Global business

Financial year ended **31st December 2011**

		Company registration number	GL/UK/CM	Period ended			units
		R16	21487	GL	day	month	year
					31	12	2011
							£000
					This financial year		Previous year
					1	2	
Transfer (to) / from the general insurance business technical account	From Form 20	11			(167)		
	Equalisation provisions	12					
Transfer from the long term insurance business revenue account		13					
Investment income	Income	14			115100		
	Value re-adjustments on investments	15					
	Gains on the realisation of investments	16					
Investment charges	Investment management charges, including interest	17					
	Value re-adjustments on investments	18					
	Loss on the realisation of investments	19					
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			42000		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29			156933		
Tax on profit or loss on ordinary activities		31					
Profit or loss on ordinary activities after tax (29-31)		39			156933		
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41					
Tax on extraordinary profit or loss		42					
Other taxes not shown under the preceding items		43					
Profit or loss for the financial year (39+41-(42+43))		49			156933		
Dividends (paid or foreseeable)		51					
Profit or loss retained for the financial year (49-51)		59			156933		

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Aviva International Insurance 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	21487	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						
	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						
	Claims management costs (22. 14. 4)	23						
	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						
Balance from underwriting year accounting	Per Form 24 (24. 69. 99 - 99)	31			(167)			
	Other technical income and charges (particulars to be specified by way of supplementary note)	32						
	Total	39			(167)			
Balance of all years' underwriting (19+29+39)		49			(167)			
Allocated investment return		51						
Transfer to non-technical account (49+51)		59			(167)			

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Aviva International Insurance 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	21487	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					
	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					
	Claims management costs (22. 14. 4)		23					
	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					
Balance from underwriting year accounting	Per Form 24 (24. 69. 99 - 99)		31		(167)			
	Other technical income and charges (particulars to be specified by way of supplementary note)		32					
	Total		39		(167)			
Balance of all years' underwriting (19+29+39)			49		(167)			
Allocated investment return			51					
Transfer to non-technical account (49+51)			59		(167)			

General insurance business: Technical account (excluding equalisation provisions)

Form 20

Name of insurer **Aviva International Insurance Limited**

Global business

Financial year ended **31st December 2011**

FSA general insurance business reporting category

Total primary (direct) and facultative aviation business

	Company registration number	GL/UK/CM	Period ended			units	Category number	
			day	month	year			
	R20	21487	GL	31	12	2011	£000	330
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					
	Claims management costs (22. 14. 4)		23					
	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					
Balance from underwriting year accounting	Per Form 24 (24. 69. 99 - 99)		31		(167)			
	Other technical income and charges (particulars to be specified by way of supplementary note)		32					
	Total		39		(167)			
Balance of all years' underwriting (19+29+39)			49		(167)			
Allocated investment return			51					
Transfer to non-technical account (49+51)			59		(167)			

General insurance business (underwriting year accounting): Analysis of premiums, claims and expenses

Name of insurer

Aviva International Insurance 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			
			21487			GL			31			2011				£000		
			MM	YY	MM	YY	MM	YY	MM	YY	MM	YY	MM	YY		YY	MM	YY
Underwriting year ended			Prior underwriting years															
			29			29			29									
			11															
Gross Amount																		
Premiums written			12															
Reinsurers' share			19															
Net (11-12)																		
Gross Amount			21			469			103									
Reinsurers' share			22															
Net (21-22)			29			469			103									
Claims management costs			39															
Commissions			41															
Other acquisition expenses			42															
Administrative expenses			43															
Reinsurers' commissions and profit participations			44															
Payable net (41+42+43-44)			49															
Brought forward			51			332			73									
Adjustment for discounting			52															
Carried forward			53															
Adjustment for discounting			54															
Increase (decrease) in the financial year (53-54-51+52)			59			(332)			(73)						(405)			
Balance on each underwriting year (19-29-39-49-59)			69			(137)			(30)						(167)			
Total all columns																		

Returns under the Accounts and Statements Rules

Supplementary Notes to the Return

Aviva International Insurance Limited

Financial year ended 31st December 2011

0101 MODIFICATION TO THE RETURN

The return has been prepared in accordance with the Accounts and Statements Rules as modified by the directions described below:

- 1) modified by a direction made under section 148 of the Financial Services and Markets Act 2000 on 6th January 2012. Under this direction, the return excludes the business transferred from the Company under a Part VII transfer on 14th November 2011, but with a deemed effective date for regulatory reporting purposes of 1st January 2011. The Part VII transfer related to a portfolio of general insurance business which was transferred from the fellow group companies, London and Edinburgh Insurance Company Limited, CGU Underwriting Limited, Aviva Insurance UK Limited, the Company, The Ocean Marine Insurance Company Limited, Scottish Boiler and General Insurance Company Limited, CGU Bonus Limited and Hamilton Insurance Company Limited to Aviva Insurance Limited. On the same date certain London Market business in these companies, Aviva Insurance Limited and The World Auxiliary Insurance Corporation Limited were transferred to The Ocean Marine Insurance Company Limited.

As a consequence of this waiver, the only underwriting activity retained in this return in 2011 is in respect of Canadian GAUM claims which were not transferred under the Part VII, to AIL but were transferred to a Canadian Group company on 31st December 2011.

- 2) modified by a direction made under section 148 of the Financial Services and Markets Act 2000 on 6th January 2012. Under this direction, the comparative column on Forms 16 and 20 need not be completed by the Company for the financial year ended 31st December 2011.
- 3) modified by a direction under section 148 of the Financial Services and Markets Act 2000 made on 10th June 2009. The direction allows the firms to increase the limit for its unlisted subsidiaries valued at market value to 2% per entity where part of the exposure would otherwise fall within INSPRU 2.1.22RA(ii). The value recognised is limited to 80% of the full market value.

0111, *0311*, *1311*, *1511*, *1611*, *2011* RESTATEMENT OF COMPARATIVES

For the 2010 year, the Company included in its annual insurance return 8 UK general insurance subsidiaries. The Company is required to prepare a separate return for 2011. The comparatives for Forms 1, 3, 13 and 15 included in this return are those that would have been presented had a separate return for 2010 been prepared for the Company. The Company has a waiver from the presentation of comparatives for Forms 16 and 20, as detailed in note *0101* (2) above.

0301 NET ADMISSIBLE ASSET RECONCILIATION

	2011	2010
	£000	£000
Total admissible assets (Form 13, line 89)	2,032,999	6,938,116
Total liabilities (Form 15, line 69)	(70,960)	(4,334,750)
Net admissible assets	1,962,039	2,603,366
Add back capital requirement of regulated related undertakings	5,846,707	6,143,795
	<u>7,808,746</u>	<u>8,747,161</u>
Total capital resources after deductions (Form 3, line 79)	<u>7,808,746</u>	<u>8,747,161</u>

Returns under the Accounts and Statements Rules

Supplementary Notes to the Return**Aviva International Insurance Limited****Financial year ended 31st December 2011*****0313* PROFIT AND LOSS ACCOUNT AND OTHER RESERVES RECONCILIATION**

	2011 £000
Opening profit and loss account and other reserves (Form 3, line 12)	(7,094,570)
Closing profit and loss account and other reserves (Form 3, line 12)	<u>4,448,000</u>
Movement in profit & loss account and other reserves (Form 3, line 12)	(2,646,570)
Add: FV losses on investment in subsidiaries	3,010,000
Less: Movement in profit and loss reserves on Part VII prior to transfer on 14 th November 2011	(206,497)
Profit for the year (Form 16, line 49)	<u>156,933</u>
Dividends for the year (Form 16 line 51)	<u>-</u>
Profit retained for the financial year (Form 16, line 59)	156,933

***1102*, *1202*, SIGNIFICANT CHANGE IN THE BUSINESS PORTFOLIO**

For the 2010 year, the Company was included in a consolidated annual insurance return with 8 subsidiary UK general insurance companies although the individual company's Forms 11 and 12 were required to be included as a supplementary note in that return. The Company is now required to prepare a separate solo return for 2011.

As a result of the Part VII transfer described in note 0101 (1), and the portfolio transfer described in note 2007, the 2010 and 2011 values on Forms 11 and 12 have been calculated as though the effects of the transfers had been applied to the full three year history required in those Forms. Consequently, for 2010 and 2011, these Forms are blank, except for the brought forward amount and the net outstanding claims previously disclosed in lines 51 and 53 to Form 11 in the supplementary note to the 2010 return (in accordance with instructions to Form 11 in IPRU (INS)).

***1105*, *1205* DIFFERENCES BETWEEN FORMS 11/12 AND FORMS 24 ET SEQ**

As a result of the Part VII transfer described in note 0101 (1), and the portfolio transfer described in note 2007, the 2010 and 2011 values on Forms 11 and 12 have been calculated as though the effects of the transfers had been applied to the full three year history required in those Forms. Consequently, for 2011, these Forms are blank and do not agree with the revenue Forms 20 and 24 which are included in this return and the corresponding Forms that would have been prepared if the Company had prepared solo returns for 2009 and 2010.

Returns under the Accounts and Statements Rules

Supplementary Notes to the Return

Aviva International Insurance Limited

Financial year ended 31st December 2011

***1301* AGGREGATE VALUE OF UNLISTED INVESTMENTS AND CERTAIN OTHER SECURITIES**

At 31st December 2011, the aggregate values of the following types of investments were held by the Company:

1. Unlisted investments, comprising debt and equity securities	£nil (2010 £nil)
2. Listed investments which are not readily realisable	£nil (2010 £nil)
3. Holdings in non-authorized collective investment schemes	£nil (2010 £11.5m)
4. Reversionary interests or remainders in property other than land and buildings	£nil (2010 £nil)

***1304* SET OFF POLICY**

Assets on Form 13 have been set off against relevant liabilities to the extent permitted by generally accepted accounting principles.

***1305* MAXIMUM COUNTERPARTY EXPOSURE**

The maximum counterparty exposure to any one counterparty permitted by the Group's Investment guidelines during 2011 was £950m. This amount was not exceeded by any of the counterparty exposures within Aviva International Insurance Limited's portfolio.

***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.

Returns under the Accounts and Statements Rules

Supplementary Notes to the Return

Aviva International Insurance Limited

Financial year ended 31st December 2011

1502 CONTINGENT LIABILITIES

(a) There are a number of charges registered against Aviva International Insurance Limited ("All") and against subsidiary's within All at Companies House. These charges relate to letters of credit, banking facilities, reinsurance recoveries and other arrangements incurred in the ordinary course of business. The likelihood of any of these charges being called on is considered to be remote.

(b) At 31st December 2011, the Company had no unprovided capital gains tax liability. There were significant capital losses not currently provided within the UK Group which are available for use against a capital gain if one were to arise.

(c) In the course of conducting insurance business, the Company receives general insurance liability claims, and becomes involved in actual or threatened litigation arising there from, including claims in respect of pollution and other environmental hazards. Amongst these are claims in respect of asbestos production and handling in the United Kingdom. Given the significant delays that are experienced in the notification of these claims, the potential number of incidents which they cover and the uncertainties associated with establishing liability and the availability of reinsurance, the ultimate cost cannot be determined with certainty.

On the 14th November 2011, Under Part VII of the Financial Services and Markets Act 2000, the Company's general insurance business was transferred to Aviva Insurance Limited and in respect of its London Market business to The Ocean Marine Insurance Company, both fellow Group Companies.

(d) The Company has guaranteed the payment of the principal, and interest thereon, of the following bonds issued by its ultimate parent company, Aviva plc:

- 9.5% guaranteed bonds 2016, £200m

The Company also acts as guarantor for the related committed borrowing facilities of Aviva plc, under which the maximum liability is £2,115m and the amount outstanding at 31st December 2011 was £nil. The amount of £2,115m is jointly guaranteed by Aviva Insurance Limited.

The Company also acts as guarantor in respect of earn-out payments connected to the Group's Spanish joint ventures and reserving in connection with the 2002 sale of Aviva Courtage to Groupama. These have been estimated to total £334m at 31st December 2011. The guarantee in respect of Aviva Courtage is given jointly with Aviva Insurance Limited.

The Company has provided guarantees for the obligations of Aviva International Holdings Limited under Shareholders Agreements entered into with banks and third parties of £178m.

(e) There are no fundamental uncertainties.

Returns under the Accounts and Statements Rules

Supplementary Notes to the Return

Aviva International Insurance Limited

Financial year ended 31st December 2011

1504 DEFICIT IN A REGULATED RELATED UNDERTAKINGS

As at 31st December 2011 the Company has made a provision in respect of the deficit in the following regulated related undertakings:

	Relationship to Aviva International Insurance Limited	Solvency Deficit
		£000
Eurovita Assicurazioni Spa	Subsidiary	27,815
Aviva Italia Spa	Subsidiary	6,682
Aviva Previdenza	Subsidiary	1,086
Total		35,583

This deficit has been deducted from the value included in investments in group undertakings and participating interests on Form 13 in Line 23, other insurance dependant shares.

1507 GROSS EQUALISATION PROVISIONS

At 31st December 2011, other adjustments comprised of claims equalisation provision gross of deferred taxes of £nil (2010 £121.9m).

1601 EXCHANGE RATES

Assets and liabilities are converted into sterling at rates of exchange ruling at 31st December 2011. Revenue transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction.

1603 OTHER INCOME AND CHARGES

Other income and charges comprises:

	2011
	£000
Impairment of investment in subsidiaries	(41,000)
Disposal gain	83,000
Total (Form 16 Line 21)	<u>42,000</u>

20A00, *2500*, FORMS OMITTED

Forms 20A and 25 have been omitted because they would otherwise be blank.

20Aa RISK CATEGORY ALLOCATION

In accordance with rule 9.14B, for all contracts of insurance, the Company has allocated its business to the single risk category that best describes the risk covered by the contract of insurance.

20Aj UNUSED AUTHORISATION CLASSES

In respect of authorisation classes 5 (aircraft) and 11 (aircraft liability), no new contracts of insurance have been effected by the Company since 2003. In respect of all other authorisation classes, no new contracts of insurance have been effected by the Company since November 2011.

Returns under the Accounts and Statements Rules

Supplementary Notes to the Return

Aviva International Insurance Limited

Financial year ended 31st December 2011

2007 MATERIAL CONNECTED PARTY TRANSACTIONS (RULE 9.39)

On 14th November 2011, under Part VII of the Financial Services and Markets Act 2000, the Company's general insurance business and certain of its assets and liabilities were transferred to Aviva Insurance Limited and, in respect of its London Market business, to The Ocean Marine Insurance Company Limited, both fellow Group companies. The IFRS assets and liabilities transferred were:

	£m
Assets	
Investments in subsidiaries	222.00
Property and equipment	3.00
Loans	138.00
Financial investments	799.00
Reinsurance assets	401.00
Receivables	6,853.00
Deferred acquisition costs, prepayments and accrued income	190.00
Current tax asset	18.00
Deferred tax asset	30.00
Cash and cash equivalents	414.00
Total assets	<u>9,068.00</u>
Liabilities	
Gross insurance liabilities	2,608.00
Provisions	8.00
Payables and other financial liabilities	3,909.00
Other liabilities	71.00
Total liabilities	<u>6,596.00</u>
Total net assets transferred on 14th November 2011	<u>2,472.00</u>

As a result of the waiver granted as described in note 0101 (1), the transfer was deemed effective from 1st January 2011 for regulatory reporting purposes and hence all other pre transfer related party transactions are excluded from this return.

However, the Part VII transfer excluded £405k of GAUM claims arising from business underwritten in Canada, which were subsequently transferred to Aviva Insurance Company of Canada on 31st December 2011 for £572k. This transaction is recorded in this return as a paid claim.

Returns under the Accounts and Statements Rules

Supplementary Notes to the Return

Aviva International Insurance Limited

Financial year ended 31st December 2011

CAPITAL AND OTHER FUNDING

The following material transactions took place during 2011:-

Received By	Paid By	Relationship	Amount £m	Transaction
Aviva International Insurance Ltd	Holloways Properties Limited	Parent/Subsidiary	100.0m	Dividend
Aviva International Insurance Ltd	Poland Pensions	Parent/Subsidiary	14.5m	Dividend
Aviva International Insurance Ltd	BZ WBK - Aviva Towarzystwo Ubezpieczen Ogolnych SA	Parent/Subsidiary	0.6m	Dividend

2401 DIFFERENCE BETWEEN BROUGHT FORWARD AMOUNTS

For the 2010 year, the Company was included in a consolidated annual insurance return with 8 subsidiary UK general insurance companies. The Company is now required to prepare a separate solo return for 2011. The brought forward balances included in this return are those that would have been presented had a separate return for 2010 been prepared for the Company, adjusted for the Part VII transfer described in note 0101 (1), and for any foreign exchange adjustments.

3400 FORMS OMITTED

The Company has taken advantage of the concession in Rule 9.20A (2) of the Interim Prudential Sourcebook to exclude all Form 34s, on the basis that gross written premiums in the financial year and gross undiscounted provisions at the end of the financial year are both less than £1m.

3700, *3900*, FORMS OMITTED

Forms 37 and 39 have been omitted because they would otherwise be blank.

Name of insurer **Aviva International Insurance 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
None							

Name of insurer **Aviva International Insurance Limited**

Global business

Financial year ended **31st December 2011**

Additional information as required by rule 9.26 of the Accounts and Statements Rules

Reinsurer details As required by Rule 9.26: (Para 1(a))	Connection (Para 1(b))	Reinsurance premiums payable (Para 1(c)) £000	Debts outstanding included at F13L75 (Para 1(d)) £000	Deposits received included at F15L31 (Para 1(e)) £000	Anticipated recoveries (Para 1(f)) £000	Comments
There are no major facultative reinsurers.						

Name of insurer **Aviva International Insurance Limited**

Global business

Financial year ended **31st December 2011**

Additional information as required by rule 9.27 of the Accounts and Statements Rules

Cedant details As required by Rule 9.27 (Para 1(a))	Connection (Para 1(b))	Premiums receivable (Para 1(c)) £000	Deposits made included at F13L57 (Para 1(d)) £000	Debts outstanding included at F13L74 (Para 1(e)) £000	Comments
None					

Returns under the Accounts and Statements Rules

Statement of additional information on derivative contracts required by rule 9.29 of the Accounts and Statements Rules.

Aviva International Insurance Limited

Financial Year ended 31st December 2011

(a) The investment guidelines operated by the Company during 2011 for the use of derivative contracts were as follows:

(i) Futures

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.

(ii) Options

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.

(iii) Swaps

Except for foreign exchange swaps (referred to under futures), swaps may only be undertaken following the prior approval of the Group Derivatives Committee. Their use is limited to balance sheet risk reduction.

(b) During the financial year the Company had agreed to acquire or dispose of assets under derivative contracts. In November 2011 all derivative contracts in the name of the Company were transferred to Aviva Insurance Limited under a Part VII Transfer.

(c) A limited number of foreign exchange forward contracts were entered into over the year, for hedging intra group remittances and proceeds from the sale of a group subsidiary.

Equity put options and currency options were transacted in order to hedge the solvency surplus.

(d) All derivative contracts entered into during the financial year fell within rule INSPRU 3.2.5R.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30 of the Accounts and Statements Rules

Aviva International Insurance Limited

Financial year ended 31st December 2011

At the year end Aviva Group Holdings Limited and Aviva plc were controllers of the Company.

At 31st December 2011, Aviva plc held all the issued share capital of Aviva Group Holdings Limited, and Aviva Group Holdings Limited held all of the issued share capital in the Company.

Name of insurer **Aviva International Insurance Limited**

Global business

Financial year ended **31st December 2011**

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

On 14th November 2011, under Part VII of the Financial Services and Markets Act 2000, the Company's general insurance business and certain of its assets and liabilities were transferred to Aviva Insurance Limited and, in respect of its London Market business, to The Ocean Marine Insurance Company Limited, both fellow Group companies. As a consequence of this transfer, a waiver was received which deemed the effective transfer date to be 1st January 2011 for regulatory reporting purposes.

As a consequence, all reinsurance prior to the transfer has been excluded from this return. There were no reinsurance premiums or programmes relating to the Company subsequent to the transfer, during which period its only business was Canadian GAUM in run-off.

Name of insurer **Aviva International Insurance 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 2011 there are no reinsurance contracts reported in this return.

Returns under the Accounts and Statements Rules

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

Aviva International Insurance Limited

Global business

Financial year ended 31st December 2011

We certify that:

- 1) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU as modified by the directions referred to in supplementary note 0101; and
- 2) we are satisfied that:
 - a) throughout the financial year, of the firm in the group 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
 - b) it is reasonable to believe that the firm has continued so to comply subsequently and will continue so to comply in future.

Andrew Moss, Chief Executive

Patrick Regan, Director

Clifford Abrahams, Director

30th March 2012

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

Aviva International Insurance 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, 20 and 24 (including the supplementary notes) ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 and 9.29 ("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; and
- the certificate required by IPRU(INS) rule 9.34(1).

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. The requirements of the Rules have been modified by the directions issued under section 148 of the Act on 6th January 2012, and 10th June 2009 referred to in supplementary note 0101. Under IPRU(INS) rule 9.11 the Forms and the statements are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms and the statements meet these requirements, and to report our opinion to you. We are also required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited 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 30th March 2012. It also included an assessment of the significant estimates and judgments made by the insurer in the preparation of the Forms and the statements.

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 as modified and have been properly prepared in accordance with the provisions of those Rules.

Ernst & Young LLP

Statutory Auditor

London

30th March 2012