

Gresham Insurance Company Limited

**Annual PRA Insurance Returns for the year ended
31st December 2013**



**BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY**

(Appendices 9.1, 9.2, 9.5, 9.6)

Gresham Insurance Company Limited

Year ended 31st December 2013

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Statement of solvency - general insurance business

Form 1

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

Solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R1	110410	GL	31	12	2013	£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	84884	79596
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	84884	79596

Guarantee fund

Guarantee fund requirement	21	6395	6460
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	78489	73136

Minimum capital requirement (MCR)

General insurance capital requirement	31	19185	19380
Base capital resources requirement	33	3146	2984
Individual minimum capital requirement	34	19185	19380
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	19185	19380
Excess (deficiency) of available capital resources to cover 50% of MCR	37	75291	69906
Excess (deficiency) of available capital resources to cover 75% of MCR	38	70495	65061

Capital resources requirement (CRR)

Capital resources requirement	41	19185	19380
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	65699	60216

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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Components of capital resources
**Form 3
(Sheet 1)**

 Name of insurer **Gresham Insurance Company Limited**

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Global business

 Financial year ended **31st December 2013**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	110410	GL	31	12	2013	£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	23565		23565	19686
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	84965		84965	81086

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	84965		84965	81086
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34	81		81	(104)
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37	81		81	(104)
Total tier one capital after deductions (31-37)	39	84884		84884	81190

Components of capital resources
**Form 3
(Sheet 2)**

 Name of insurer **Gresham Insurance Company Limited**

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Global business

 Financial year ended **31st December 2013**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	110410	GL	31	12	2013	£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**

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Global business

 Financial year ended **31st December 2013**

	Company registration number		GL/UK/CM	Period ended			units
	R3	110410		GL	day	month	
				31	12	2013	£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	84884		84884	81190
Inadmissible assets other than intangibles and own shares	73				
Assets in excess of market risk and counterparty limits	74				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	84884		84884	79596

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	84884		84884	79596
Available capital resources for 50% MCR requirement	82	84884		84884	79596
Available capital resources for 75% MCR requirement	83	84884		84884	79596

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

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Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

General insurance business

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R11	110410	GL	31	12	2013	£000
			This financial year		Previous year	
			1		2	
Gross premiums written		11	220715		231818	
Premiums taxes and levies (included in line 11)		12				
Premiums written net of taxes and levies (11-12)		13	220715		231818	
Premiums for classes 11, 12 or 13 (included in line 13)		14	194		1122	
Premiums for "actuarial health insurance" (included in line 13)		15				
Sub-total A (13 + 1/2 14 - 2/3 15)		16	220812		232379	
Gross premiums earned		21	229004		235451	
Premium taxes and levies (included in line 21)		22				
Premiums earned net of taxes and levies (21-22)		23	229004		235451	
Premiums for classes 11, 12 or 13 (included in line 23)		24	722		1215	
Premiums for "actuarial health insurance" (included in line 23)		25				
Sub-total H (23 + 1/2 24 - 2/3 25)		26	229365		236059	
Sub-total I (higher of sub-total A and sub-total H)		30	229365		236059	
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	41286		42491	
	Excess (if any) over 61.3M EURO x 0.02	33	3545		3732	
Sub-total J (32-33)		34	37741		38759	
Claims paid in period of 3 financial years		41	372104		410095	
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	68409		79245	
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	107418		99934	
Sub-total C (41+42+43-44-45)		46	333095		389406	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	331010		347474	
Sub-total D (46-47)		48	2085		41932	
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	18871		19380	
Provisions for claims outstanding (before discounting and net of reinsurance)		51	2651		2678	
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	19185		10987	
Greater of lines 50 and 53		54	19185		19380	

Calculation of general insurance capital requirement - claims amount and result
Form 12

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

General insurance business

		Company registration number	GL/UK/CM	Period ended			units	
		R12	110410	GL	31	12	2013	£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			372104		410095	
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			68409		79245	
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			107418		99934	
Claims incurred in reference period (21+22+23-24-25)		26			333095		389406	
Claims incurred for classes 11, 12 or 13 (included in 26)		27			743		5131	
Claims incurred for "actuarial health insurance" (included in 26)		28						
Sub-total E (26 + 1/2 27 - 2/3 28)		29			333467		391972	
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			111156		130657	
Division of sub-total F (gross adjusted claims amount)	X 0.26	32			28901		33971	
	Excess (if any) over 42.9M EURO x 0.03	33			2240		2882	
Sub-total G (32 - 33)		39			26661		31089	
Claims amount Sub-total G x reinsurance ratio (11.49)		41			13331		15545	
Higher of premiums amount and brought forward amount (11.54)		42			19185		19380	
General insurance capital requirement (higher of lines 41 and 42)		43			19185		19380	

Analysis of admissible assets
Form 13
(Sheet 1)

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

 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	2013	£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	66175	22547
	More than one month withdrawal	55		
Other financial investments		56		

Analysis of admissible assets
Form 13
(Sheet 2)

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

 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	2013	£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	112688	120977
Claims outstanding	61	65758	76559
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	112609	123347
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	1005	
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	200	70
	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	28365	36295
Other prepayments and accrued income	86	672	228

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	387472	383861
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Analysis of admissible assets
Form 13
(Sheet 3)

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

 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	2013		
			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	387472	383861
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	(1401)	(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	386071	384079
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

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R15	110410	GL	31	12	2013	£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	112688	120977
Claims outstanding	12	68409	79245
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	375
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19	181472	200600

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	31			
Creditors	Direct insurance business	41	1170	924
	Reinsurance accepted	42		
	Reinsurance ceded	43	17582	14561
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46	1066	2873	
Creditors	Taxation	47	1247	1485
	Foreseeable dividend	48		
	Other	49	39465	17155
Accruals and deferred income	51	60586	66667	
Total (19 to 51)	59	302588	304265	
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69	302588	304265	

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71	23221	304265
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Amounts deducted from technical provisions for discounting	82	1482	1272
Other adjustments (may be negative)	83		
Capital and reserves	84	84965	81086
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	386071	384079

Profit and loss account (non-technical account)
Form 16

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

		Company registration number	GL/UK/CM	Period ended			units	
		R16	110410	GL	31	12	2013	£000
				This financial year		Previous year		
				1		2		
Transfer (to) / from the general insurance business technical account	From Form 20	11		228		1779		
	Equalisation provisions	12		3		40		
Transfer from the long term insurance business revenue account		13						
Investment income	Income	14		169		150		
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17		19		4		
	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		4658		3705		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29		5039		5666		
Tax on profit or loss on ordinary activities		31		1160		1381		
Profit or loss on ordinary activities after tax (29-31)		39		3879		4285		
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		3879		4285		
Dividends (paid or foreseeable)		51						
Profit or loss retained for the financial year (49-51)		59		3879		4285		

General insurance business - summary of business carried on

Form 20A

(Sheet 1)

Name of insurer **Gresham Insurance Company Limited**

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Global business

Financial year ended **31st December 2013**

Category number	PRA return general insurance business reporting category	R20A	Company registration number 110410	GL/UK/CM GL	Period ended			units £000
					day	month	year	
					31	12	2013	
					Reported 2	Incurred but not reported 3		Provision for gross unearned premium at the end of this financial year 4
			1					
001	Total business	1	220715	55537		10600		112688
002	Total primary (direct) and facultative business	2	220715	55537		10600		112688
003	Total treaty reinsurance accepted business	3						
110	Total primary (direct) and facultative accident & health (category numbers 111 to 114)	4	64	395		14		28
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5		7579		284		
160	Primary (direct) and facultative household and domestic all risks.	6	219770	46049		9564		112593
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	451	133		712		
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	74	23		7		10
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10	352	1358		19		55
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11	1					
330	Total primary (direct) and facultative aviation (category number 331 to 333)	12						
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13	3					2
350	Total primary (direct) and facultative goods in transit	14						
400	Miscellaneous primary (direct) and facultative business	15						
500	Total non-proportional treaty business accepted (category numbers 510 to 590)	16						
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17						
700	Miscellaneous treaty reinsurance accepted business	18						
	Total (lines 4 to 18)	20	220715	55537		10600		112688

General insurance business - summary of business carried on

Form 20A

(Sheet 2)

Name of insurer **Gresham Insurance Company Limited**

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Global business

Financial year ended **31st December 2013**

Category number	PRA return general insurance business reporting category	Gross premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year	Provision for gross unearned premium at the end of this financial year	Company registration number			Period ended			units
					R20A	110410	GL/UK/CM	GL	day	month	
		1	2	3				31	12	2013	£000

PRIMARY (DIRECT) and FACULTATIVE PERSONAL LINES BUSINESS

Category number	Description	1	2	3	4
111	Medical insurance	21			
112	HealthCare cash plans	22			
113	Travel	23	56	384	14 27
114	Personal accident or sickness	24	8	11	1
121	Private motor - comprehensive	25		5636	284
122	Private motor - non-comprehensive	26		1943	
123	Motor cycle	27			
160	Household and domestic all risks (equals line 6)	28	219770	46049	9564 112593
181	Assistance	29			
182	Creditor	30	451	133	712
183	Extended warranty	31			
184	Legal expenses	32			
185	Mortgage indemnity	33			
186	Pet insurance	34			
187	Other personal financial loss	35			

PRIMARY (DIRECT) and FACULTATIVE COMMERCIAL LINES BUSINESS

Category number	Description	1	2	3	4
221	Fleets	41			
222	Commercial vehicles (non-fleet)	42			
223	Motor other	43			
261	Commercial property	44	63		9
262	Consequential loss	45	8	19	6 1
263	Contractors or engineering all risks	46	3	4	1
271	Employers liability	47	31	21	5
272	Professional indemnity	48			
273	Public and products liability	49	98	226	3 16
274	Mixed commercial package	50	223	1111	16 34
281	Fidelity and contract guarantee	51			
282	Credit	52			
283	Suretyship	53	1		
284	Commercial contingency	54			

General insurance business - summary of business carried on

Form 20A

(Sheet 3)

Name of insurer **Gresham Insurance Company Limited**

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Global business

Financial year ended **31st December 2013**

Category number	PRA return general insurance business reporting category	Company registration number	GL/UK/CM	Period ended			units	
				day	month	year		
		R20A	110410	GL	31	12	2013	£000
				Gross premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year	
				1	Reported	Incurred but not reported	3	4
					2			

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

PRIMARY (DIRECT) and FACULTATIVE: MISCELLANEOUS

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

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	220715	55537	10600	112688	
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General insurance business: Technical account (excluding equalisation provisions)
Form 20

Printed 13/03/2014 15:25:56

 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

PRA 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	2013	£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				1832		1904
	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					740	514
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					1092	1390
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21						
	Claims incurred (22. 13. 4)	22				1182		(1110)
	Claims management costs (22. 14. 4)	23				(133)		617
	Adjustment for discounting (22. 51. 4)	24				185		(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					(864)	389
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			228	1779
Allocated investment return				51				
Transfer to non-technical account (49+51)				59			228	1779

General insurance business: Technical account (excluding equalisation provisions)
Form 20

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

PRA 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	2013	£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				1832		1904
	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					740	514
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					1092	1390
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21						
	Claims incurred (22. 13. 4)	22				1182		(1110)
	Claims management costs (22. 14. 4)	23				(133)		617
	Adjustment for discounting (22. 51. 4)	24				185		(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					(864)	389
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			228	1779
Allocated investment return				51				
Transfer to non-technical account (49+51)				59			228	1779

General insurance business: Technical account (excluding equalisation provisions)
Form 20

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

PRA 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	2013	£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			442	(1902)		
	Claims management costs (22. 14. 4)	23			(6)	29		
	Adjustment for discounting (22. 51. 4)	24			185	(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			(251)	1769		
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		(251)	1769	
Allocated investment return				51				
Transfer to non-technical account (49+51)				59		(251)	1769	

General insurance business: Technical account (excluding equalisation provisions)
Form 20

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

PRA 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	2013	£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	1795		1864			
	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	715		502			
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	1080		1362			
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21						
	Claims incurred (22. 13. 4)	22	97		192			
	Claims management costs (22. 14. 4)	23	(127)		588			
	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	30		(780)			
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		1110		582
Allocated investment return				51				
Transfer to non-technical account (49+51)				59		1110		582

General insurance business: Technical account (excluding equalisation provisions)
Form 20

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 Name of insurer **Gresham Insurance Company Limited**

Global business

 Financial year ended **31st December 2013**

PRA 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	2013	£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	37		40				
	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	25		12				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	12		28				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21. 11. 5)	21							
	Claims incurred (22. 13. 4)	22	643		600				
	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	(643)		(600)				
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		(631)		(572)	
Allocated investment return				51					
Transfer to non-technical account (49+51)				59		(631)		(572)	

General insurance business (accident year accounting): Analysis of premiums

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA general insurance business reporting category

Total Business

		Company registration number	GL/UK/CM	Period ended			units	Category number	
		R21	110410	GL	31	12	2013	£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	3	3					
	For periods of 12 months	14	108024	112688	106192	112688	1832		
	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	120977	120977					
Total (12 to 16)		19	229004	112688	227172	112688	1832		

General insurance business (accident year accounting): Analysis of premiums

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA general insurance business reporting category

Total Primary (Direct) and Facultative Business

		Company registration number	GL/UK/CM	Period ended			units	Category number	
		R21	110410	GL	31	12	2013	£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	3	3					
	For periods of 12 months	14	108024	112688	106192	112688	1832		
	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	120977	120977					
Total (12 to 16)		19	229004	112688	227172	112688	1832		

General insurance business (accident year accounting): Analysis of premiums

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	2013	£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

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	2013	£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	107177	112593	105382	112593	1795		
	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	119709		119709				
Total (12 to 16)		19	226886	112593	225091	112593	1795		

General insurance business (accident year accounting): Analysis of premiums

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	2013	£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	3		3				
	For periods of 12 months	14	847	95	810	95	37		
	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	1268		1268				
Total (12 to 16)		19	2118	95	2081	95	37		

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	76500	42493	25951	(8056)		
	Reinsurers' share	12	74429	41410	23781	(9238)		
	Net (11-12)	13	2071	1083	2170	1182		
	Claims management costs	14	615	1	481	(133)		
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		48600	40186	88786		
	Reinsurers' share	16		48600	40186	88786		
	Net (15-16)	17						
	Claims management costs	18						
Provision for unexpired risks	19							
Net operating expenses	Commissions	21	23195	61266	21971	62490		
	Other acquisition expenses	22						
	Administrative expenses	23		740		740		
	Reinsurance commissions and profit participations	24	23195	61266	21971	62490		
	Total (21+22+23-24)	29		740		740		
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	1272		1482	210		
	Reinsurers' share	32	1376		1401	25		
	Claims management costs	33						
	Total (31-32+33)	39	(104)		81	185		
Split of line 29	Prior financial years	41						
	This financial year	42		740		740		
Split of line 39	Incidents occurring prior to this financial year	51	(104)		81	185		
	Incidents occurring in this financial year	52						

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	76500	42493	25951	(8056)		
	Reinsurers' share	12	74429	41410	23781	(9238)		
	Net (11-12)	13	2071	1083	2170	1182		
	Claims management costs	14	615	1	481	(133)		
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		48600	40186	88786		
	Reinsurers' share	16		48600	40186	88786		
	Net (15-16)	17						
	Claims management costs	18						
Provision for unexpired risks	19							
Net operating expenses	Commissions	21	23195	61266	21971	62490		
	Other acquisition expenses	22						
	Administrative expenses	23		740		740		
	Reinsurance commissions and profit participations	24	23195	61266	21971	62490		
	Total (21+22+23-24)	29		740		740		
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	1272		1482	210		
	Reinsurers' share	32	1376		1401	25		
	Claims management costs	33						
	Total (31-32+33)	39	(104)		81	185		
Split of line 29	Prior financial years	41						
	This financial year	42		740		740		
Split of line 39	Incidents occurring prior to this financial year	51	(104)		81	185		
	Incidents occurring in this financial year	52						

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	12172	5412	7864			1104
	Reinsurers' share	12	11488	5025	7125			662
	Net (11-12)	13	684	387	739			442
	Claims management costs	14	29		23			(6)
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		1482			210
	Reinsurers' share	32	1376		1401			25
	Claims management costs	33						
	Total (31-32+33)	39	(104)		81			185
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)		81			185
	Incidents occurring in this financial year	52						

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	2013	£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	61420	37323	15831	(8266)	
	Reinsurers' share	12	60768	36687	15718	(8363)	
	Net (11-12)	13	652	636	113	97	
	Claims management costs	14	586	1	458	(127)	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		48237	39782	88019	
	Reinsurers' share	16		48237	39782	88019	
	Net (15-16)	17					
	Claims management costs	18					
Provision for unexpired risks	19						
Net operating expenses	Commissions	21	22974	59639	21959	60654	
	Other acquisition expenses	22					
	Administrative expenses	23		715		715	
	Reinsurance commissions and profit participations	24	22974	59639	21959	60654	
	Total (21+22+23-24)	29		715		715	
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		715		715	
Split of line 39	Incidents occurring prior to this financial year	51					
	Incidents occurring in this financial year	52					

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA general insurance business reporting category

Balance of all primary (direct) and facultative business

	R22	Company registration number	GL/UK/CM	Period ended			units	Category number
		110410	GL	day	month	year	£000	409
		1	2	3			4	
		Amount brought forward from previous financial year	Amount payable / receivable in this financial year	Amount carried forward to next financial year			Amount attributable to this financial year	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	2908	(242)	2256		(894)	
	Reinsurers' share	12	2173	(302)	938		(1537)	
	Net (11-12)	13	735	60	1318		643	
	Claims management costs	14						
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		363	404		767	
	Reinsurers' share	16		363	404		767	
	Net (15-16)	17						
	Claims management costs	18						
Provision for unexpired risks	19							
Net operating expenses	Commissions	21	221	1627	12		1836	
	Other acquisition expenses	22						
	Administrative expenses	23		25			25	
	Reinsurance commissions and profit participations	24	221	1627	12		1836	
	Total (21+22+23-24)	29		25			25	
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		25			25	
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

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	2013	£000	001					
		1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration / (surplus) of original reserve %	Claims ratio %
12	2013	11										1832		
12	2012	12										1904		
12	2011	13										1967		
12	2010	14										1936		
12	2009	15										2074		
12	2008	16										2169		
12	2007	17										3974		
12	2006	18	41452	14160	13942	574	824	32	1313	117		86854	8.6	65.4
12	2005	19	53619	31991	41137	143	428		282	289	81	140515	30.4	67.8
12	2004	20	47607	31792	29605	9	174	712	302	593		134003	(4.1)	58.3
Prior accident years		21				357			174	183				
Reconciliation		22												
Total (11 to 22)		29				1083	1426	744	2071	1182	81			

General insurance business (accident year accounting): Analysis of net claims and premiums

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA general insurance business reporting category

Total Primary (Direct) and Facultative Business

Accident year ended		Company registration number	GL/UK/CM	Period ended			units	Category number						
				day	month	year								
Month	Year	R23	110410	GL	31	12	2013	£000	002					
		1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration / (surplus) of original reserve %	Claims ratio %
12	2013	11										1832		
12	2012	12										1904		
12	2011	13										1967		
12	2010	14										1936		
12	2009	15										2074		
12	2008	16										2169		
12	2007	17										3974		
12	2006	18	41452	14160	13942	574	824	32	1313	117		86854	8.6	65.4
12	2005	19	53619	31991	41137	143	428		282	289	81	140515	30.4	67.8
12	2004	20	47607	31792	29605	9	174	712	302	593		134003	(4.1)	58.3
Prior accident years		21				357			174	183				
Reconciliation		22												
Total (11 to 22)		29				1083	1426	744	2071	1182	81			

General insurance business (accident year accounting): Analysis of net claims and premiums

Form 23

Printed 13/03/2014 15:25:59

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	2013	£000	120					
		1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration / (surplus) of original reserve %	Claims ratio %
12	2013	11												
12	2012	12												
12	2011	13												
12	2010	14										10		
12	2009	15										121		
12	2008	16										194		
12	2007	17										521		
12	2006	18	617	404	5215	387	595	32	799	215		1331	1441.8	514.4
12	2005	19	2	146	872		112		(115)	227	81	160	574.0	616.3
12	2004	20												
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29				387	707	32	684	442	81			

General insurance business (accident year accounting): Analysis of net claims and premiums

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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	2013	£000	160					
		1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration / (surplus) of original reserve %	Claims ratio %
12	2013	11										1795		
12	2012	12										1864		
12	2011	13										1924		
12	2010	14										1871		
12	2009	15										1893		
12	2008	16										1906		
12	2007	17										3337		
12	2006	18	40491	13756	7406	127	50	205		(28)		85202	(44.9)	56.4
12	2005	19	53297	31845	40237	143	22	104		61		137745	26.9	68.0
12	2004	20	47266	31254	29458	9	41	169		(119)		130790	(5.6)	58.7
Prior accident years		21				357		174		183				
Reconciliation		22												
Total (11 to 22)		29				636	113	652		97				

General insurance business (accident year accounting): Analysis of net claims and premiums

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

PRA 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								
		R23	110410	GL	31	12	2013	£000	409					
Month	Year	Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration / (surplus) of original reserve %	Claims ratio %		
						Reported (net)	Incurred but not reported (net)						Reported (net)	Incurred but not reported (net)
		1	2	3	4	5	6	7	8	9	10	11	12	13
12	2013	11										37		
12	2012	12										40		
12	2011	13										43		
12	2010	14										55		
12	2009	15										60		
12	2008	16										69		
12	2007	17										116		
12	2006	18	344		1321	60	179	309		(70)		321		593.1
12	2005	19	320		28		294	293		1		2610		24.6
12	2004	20	341	538	147		133	712	133	712		3213	84.4	41.5
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			60	606	712	735		643				

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

Form 31
Printed 13/03/2014 15:26:00

Name of insurer **Gresham Insurance Company Limited**

Global business

Currency **British pound**

Financial year ended **31st December 2013**

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

PRA 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	2013	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	2013	11	28067	11799		48237	32061	7721			88019	226886	38.8
12	2012	12	46326	3078	63032	29747	10476	1474	45963	4333	(8599)	232318	45.1
12	2011	13	66419	288	82295	2857	376	295	3719	128	(319)	240496	35.7
12	2010	14	110318	367	137113	1850	1409	74	2714	43	576	233959	60.0
12	2009	15	113423	110	127135	1313	592		1864	2	39	237672	54.3
12	2008	16	119467	66	141119	733	399		1134		(2)	239319	59.4
12	2007	17	144181	41	206813	60	670		524		206	221582	93.7
12	2006	18	112410	2	135255	254	10		417		(153)	177552	76.3
12	2005	19	85091	1	96249	143	15		236		(78)	149711	64.4
12	2004	20	70056	3	77461	9	41		169		(119)	140057	55.3
Prior accident years		21				357			174		183		
Total (11 to 21)		29		15755		85560	46049	9564	56914	4506	79753		
Line 29 expressed in sterling		30				85560	46049	9564	56914	4506	79753		

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

Printed 13/03/2014 15:26:00

Name of insurer **Gresham Insurance Company Limited**

Global business

Currency **British pound**

Financial year ended **31st December 2013**

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

PRA general insurance business reporting category

Private motor comprehensive

Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %	
															Company registration number
Month	Year	Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported						
		1	2	3	4	5	6	7	8	9	10	11	12	13	
12	2013	11													
12	2012	12													
12	2011	13													
12	2010	14	578	1	666	26	2	1	16	11	1068	65.0	4	14.5	
12	2009	15	8018	57	11655	386	2027	99	1670	23	819	13871	102.1	39	20.7
12	2008	16	12078	7	18299	184	130	3	264	49	4	21986	84.7	68	17.8
12	2007	17	17455	16	24812	2160	173	117	2111	93	246	28659	95.1	96	18.2
12	2006	18	8558	4	15432	769	1189	65	1958	15	50	14867	117.4	47	18.2
12	2005	19	100	3	863	15	2115		1920		210	138	2168.8	1	10.3
12	2004	20													
Prior accident years		21													
Total (11 to 21)		29		88		3540	5636	284	7924	196	1340				
Line 29 expressed in sterling		30				3540	5636	284	7924	196	1340				

Equalisation provisions

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

		Company registration number		GL/UK/CM		Period ended			units
		R37	110410	GL	31	12	2013	£000	
		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)	All business groupings	Credit insurance business	
		1	2	3	4	5	6	7	
Calculation of the maximum provision									
Total net premiums written in the previous 4 years	11	7552							
Net premiums written in the current year	12	1811							
Maximum provision	13	375					375		

Calculation of the transfer to/from the provision

Equalisation provision brought forward	21						378	
Transfers in	22	54					54	
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						432	
Excess, if any, of 26 over 13	27						57	
Equalisation provision carried forward (26-27)	28						375	
Transfer in/(out) for financial year (28-21)	29						(3)	

Equalisation provisions technical account: Accident year accounting

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

		Company registration number		Period ended			units	
		R38	110410	GL/UK/CM	day	month		year
				GL	31	12	2013	£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	1811						
Claims incurred net of reinsurance	12	97						
Trigger claims value	13	1313						
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 2013**

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
Lloyd's 1 Lime Street London, EC3M 7HA			1,693	201		312	
International Property Catastrophe Reinsurance Ltd 29 Richmond Road Pembroke HM08 Bermuda							
Endurance Specialty Insurance Company Wellesley House 90 Pitts Bay Road Pembroke HN08 Bermuda			210			40	
ACE Ltd 17 Woodbourne Avenue Hamilton HM 08 Bermuda			302				
Aviva Re Limited, Cannon's Court 22 Victoria Street Hamilton HM 12 Bermuda	Fellow group undertaking from 31 March 2005		(19)				
General Reinsurance UK Ltd (Berkshire Hathaway Inc) 3555 Farnam Street Suite 1440 Omaha NE68131 USA							
Swiss Reinsurance Company Ltd Mythenquai 50/60 PO Box 8022 Zurich Switzerland			6,100	508		869	

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

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

Reinsurer Details	Connection	Prop. RI Treaties £000	Non Prop. RI Treaties £000	Debts Outst'ding £000	Deposits Received £000	Anticipated Recoveries £000	Comments
Munich Reinsurance Co. 107 Koenigstrasse 80802 Munich Germany		140	2,795	674		333	
RenaissanceRe Holdings Ltd Renaissance House 12 Crow Lane Pembroke HM 19 Bermuda			625				
Platinum Re (UK) Ltd, 10 St Mary Axe London EC3A 8EN							
Aviva Insurance Ltd 1 Undershaft St Helens London EC3P 3DQ	Parent undertaking	202,241				65,758	

Name of insurer Gresham Insurance Company Limited

Global business

Financial year ended **31st December 2013**

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 2013**

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 2013**

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 Prudential Regulation 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 2013**

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 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 2013**

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: 01/01/2013 to 31/12/2013 – 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 2013**

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 2013*****0301* Reconciliation of Net Admissible Assets to Capital Resources**

	2013 £000	2012 £000
Form 13, Line 89	387,472	383,861
Less		
Form 15, Line 69	302,588	304,265
	<hr/>	<hr/>
Net admissible assets	84,884	79,596
	<hr/>	<hr/>
Capital resources		
Form 3, Line 79	84,884	79,596
	<hr/>	<hr/>

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

	2013 £000	2012 £000
Form 3, Line 12.4	19,686	15,401
Form 16, Line 59.1	3,879	4,285
	<hr/>	<hr/>
Form 3, Line 12.3	23,565	19,686
	<hr/>	<hr/>

Supplementary Notes to the Returns

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

***1305* Counterparty Limits**

The Company's management of credit risk is carried out in accordance with the Aviva Group credit risk framework, which includes 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 AIL Asset Liability Committee ('ALCO') monthly and reported to the AIL Board via the Capital and Liquidity Report quarterly. Additional oversight is 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 (2012 - £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 2012, the CER was £378k; in 2013 it is £375k, a decrease of £3k. Line 21 of Form 16 includes the increase in the commission expense of £3k 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 2013*****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	31	211	8	15
Fire and other damage to property	5	35	1	2
Classes 16, 17 and 18 combined	20	138	5	10
Total	56	384	14	27
MIXED COMMERCIAL PACKAGE				
Fire and other damage to property	143	711	10	22
Liability	65	322	5	10
Classes 16, 17 and 18 combined	15	78	1	2
Total	223	1111	16	34

***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 ReturnsName of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013*****2007* Material Connected Party Transactions (Rule 9.39)**

The Company entered into a quota share reinsurance arrangement with Aviva International Insurance Limited, with effect from 1 January 2006. On 14 November 2011, this contract was transferred to the Company's current parent company, Aviva Insurance Limited by way of an insurance business transfer under part VII of the Financial Services and Markets Act 2000.

The key terms of the agreement remain:

- a 100% cession rate on premiums, claims costs and underwriting expense costs is applied in respect of the underwriting year; and
- a requirement for the Company to retain a percentage in relation to the Financial Services Compensation Scheme levy.

The premiums, claims and expenses which have been reinsured to Aviva Insurance Limited under the arrangement are:

Quota share	2013	2012
	£000	£000
Premiums earned	210, 532	217, 757
Claims incurred	(88, 854)	(127, 891)
Fee and commission expenses and operating expenses and other charges	(93, 114)	(96, 295)
Profit/(loss) ceded	<u>28, 564</u>	<u>(6, 429)</u>

The material balances in the statement of financial position relating to this arrangement are:

	2013	2012
	£000	£000
Reinsurance assets	173, 740	197, 169
Payable arising out of ceded reinsurance	(17, 443)	(14, 000)
Reinsurers' share of deferred acquisition costs	(28, 365)	(36, 295)

***2102* Unearned Premiums**

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

Supplementary Notes to the Returns

Name of insurer **Gresham Insurance Company Limited**

Global business

Financial year ended **31st December 2013**

***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 2013 or 2012.

***3000* Form omitted**

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

***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.

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 2013**

We certify

- a. that the return has been properly prepared in accordance with the requirements in *IPRU(INS)*, *GENPRU* and *INSPRU*; and
- b. that we are satisfied that:
 - (i) throughout the financial year in question, the insurer 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 insurer has continued so to comply subsequently, and will continue so to comply in future.

Julian Woodford
Director

Matthew Carter
Director

Claire Valentine
Company Secretary

London
21 March 2014

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 2013**

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 Prudential Regulation Authority under section 137G 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) on pages 1 to 38 and pages 47 to 51 ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 and 9.29 on pages 39 to 43 ("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 44 to 46; and
- the certificate required by IPRU(INS) rule 9.34 on page 52.

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms and the statements) under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms and the statements are required to be prepared in the manner set out in the Rules and to state fairly the information provided on the basis required by the Rules.

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

- 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 2013**

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
Chartered Accountants
London
21 March 2014