

Churchill Insurance Company Limited

Annual FSA Insurance Returns for the year ended

31 December 2010

IPRU(INS) Appendices 9.1, 9.2, 9.5, 9.6

Contents

Balance Sheet and Profit and Loss Account

Form 1	Statement of solvency - general insurance business	1
Form 3	Components of capital resources	3
Form 11	Calculation of general insurance capital requirement - premiums amount and brought forward amount	6
Form 12	Calculation of general insurance capital requirement - claims amount and result	7
Form 13	Analysis of admissible assets	8
Form 15	Liabilities (other than long term insurance business)	11
Form 16	Profit and loss account (non-technical account)	12

General Insurance Business: Revenue Account and Additional Information

Form 20A	Summary of business carried on	13
Form 20	Technical account (excluding equalisation provisions)	16
Form 21	Accident year accounting: Analysis of premiums	24
Form 22	Accident year accounting: Analysis of claims, expenses and technical provisions	30
Form 23	Accident year accounting: Analysis of net claims and premiums	38
Form 30	Expected income and yield from admissible assets covering discounted provisions	46
Form 31	Accident year accounting: Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance	48
Form 32	Accident year accounting: Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance	49
Form 37	Equalisation provisions	51
Form 38	Equalisation provisions technical account: Accident year accounting	52

Supplementary notes to the return 53

Additional information on reinsurance business 57

Additional information on derivative contracts 68

Additional information on controllers 69

Directors' Certificate 70

Auditor's Report 71

Statement of solvency - general insurance business

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Solo solvency calculation

R1	Company registration number	GL/UK/CM	day month year			Units
			31	12	2010	
	2258947	GL				£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	693432	704147
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	693432	704147

Guarantee fund

Guarantee fund requirement	21	70295	56737
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	623137	647410

Minimum capital requirement (MCR)

General insurance capital requirement	31	210886	170211
Base capital resources requirement	33	3040	3128
Individual minimum capital requirement	34	210886	170211
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	210886	170211
Excess (deficiency) of available capital resources to cover 50% of MCR	37	587989	619042
Excess (deficiency) of available capital resources to cover 75% of MCR	38	535267	576489

Capital resources requirement (CRR)

Capital resources requirement	41	210886	170211
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	482546	533936

Contingent liabilities


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

Name of insurer Churchill Insurance Company Limited

Global business


Financial year ended 31 December 2010




Director



Director



Director



Date 22 MARCH 2011

Components of capital resources

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/UK/CM	day month year			Units
R3	2258947	GL	31	12	2010	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Core tier one capital

Permanent share capital	11	509000		509000	509000
Profit and loss account and other reserves	12	271230		271230	311522
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	780230		780230	820522

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	780230		780230	820522
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35	86323		86323	84601
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37	86323		86323	84601
Total tier one capital after deductions (31-37)	39	693907		693907	735921

Components of capital resources

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/UK/CM	day month year			Units
R3	2258947	GL	31	12	2010	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year		Total as at the end of the previous year
		1	2	3		4

Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46				
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49				

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

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

Components of capital resources

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/UK/CM	day month year			Units
R3	2258947	GL	31	12	2010	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year		Total as at the end of the previous year
		1	2	3		4

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72	693907		693907	735921
Inadmissible assets other than intangibles and own shares	73	475		475	30
Assets in excess of market risk and counterparty limits	74				31744
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	693432		693432	704147

Available capital resources for GENPRU/INSPRU tests

Available capital resources for guarantee fund requirement	81	693432		693432	704147
Available capital resources for 50% MCR requirement	82	693432		693432	704147
Available capital resources for 75% MCR requirement	83	693432		693432	704147

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

General insurance business

		Company registration number	GL/UK/CM	day month year			Units	
		R11	2258947	GL	31	12	2010	£000
				This financial year 1			Previous year 2	
Gross premiums written			11	1102139			1117720	
Premiums taxes and levies (included in line 11)			12					
Premiums written net of taxes and levies (11-12)			13	1102139			1117720	
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	1102139			1117720	
Gross premiums earned			21	1126093			1115941	
Premium taxes and levies (included in line 21)			22					
Premiums earned net of taxes and levies (21-22)			23	1126093			1115941	
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	1126093			1115941	
Sub-total I (higher of sub-total A and sub-total H)			30	1126093			1117720	
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	202697			201190	
	Excess (if any) over 57.5M EURO x 0.02		33	21523			21327	
Sub-total J (32-33)			34	181174			179863	
Claims paid in period of 3 financial years			41	2319967			2344614	
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	1637336			1020653	
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	989130			1014419	
Sub-total C (41+42+43-44-45)			46	2968173			2350848	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47	230119			172990	
Sub-total D (46-47)			48	2738054			2177858	
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)			49	0.92			0.93	
Premiums amount (Sub-total J x reinsurance ratio)			50	167128			166628	
Provision for claims outstanding (before discounting and net of reinsurance)			51	1135746			939440	
Provision 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	170211			170211	
Greater of lines 50 and 53			54	170211			170211	

Calculation of general insurance capital requirement - claims amount and result

 Name of insurer **Churchill Insurance Company Limited**

Global business

 Financial year ended **31 December 2010**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	2258947	GL	31	12	2010	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R				11	36			36
Claims paid in reference period				21	2319967			2344614
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	1637336			1020653
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	989130			1014419
Claims incurred in reference period (21+22+23-24-25)				26	2968173			2350848
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	2968173			2350848
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	989391			783616
Division of sub-total F (gross adjusted claims amount)	x 0.26			32	257242			203740
	Excess (if any) over 40.3M EURO x 0.03			33	28632			22428
Sub-total G (32-33)				39	228610			181312
Claims amount Sub-total G x reinsurance ratio (11.49)				41	210886			167970
Higher of premiums amount and brought forward amount (11.54)				42	170211			170211
General insurance capital requirement (higher of lines 41 and 42)				43	210886			170211

Analysis of admissible assets

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	2258947	GL	31	12	2010	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11		1035	1205	

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	7513	44569
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	951297	699730
	Other	46	598001	509313
Variable interest securities	Approved	47		
	Other	48	200003	420065
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	145941	25049
	More than one month withdrawal	55	195778	237910
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Analysis of admissible assets

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	2258947	GL	31	12	2010	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reinsurers' share of technical provisions

Provision for unearned premiums	60	20293	21163
Claims outstanding	61	72542	53590
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	257844	268456
	Intermediaries	72	78545	85879
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	7996	10718
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	20784	5813
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83	28453	23318
Accrued interest and rent	84	292	1374
Deferred acquisition costs (general business only)	85	92250	92729
Other prepayments and accrued income	86	14099	14041

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	2692665	2514923
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Analysis of admissible assets

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	2258947	GL	31	12	2010	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	2692665	2514923
Admissible assets in excess of market and counterparty limits	92		31744
Inadmissible assets directly held	93	475	30
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	2693140	2546697

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		
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Liabilities (other than long term insurance business)Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

R15	Company registration number	GL/UK/CM	day month year			Units
			31	12	2010	
	2258947	GL				£000
			As at end of this financial year		As at end of the previous year	
			1		2	

Technical provisions (gross amount)

Provisions for unearned premiums	11	530949	554905
Claims outstanding	12	1208288	993030
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	86323 84601
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19	1825560	1632536

Provisions and creditors

Provisions	Taxation	21	23205	23533
	Other risks and charges	22	14733	17541
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41	120	128
	Reinsurance accepted	42		
	Reinsurance ceded	43	21248	25278
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46	5215	3288
Creditors	Taxation	47		
	Foreseeable dividend	48		
	Other	49	78231	65597
Accruals and deferred income		51	30920	42874
Total (19 to 51)		59	1999233	1810776
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	1999233	1810776

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83	(86323)	(84601)
Capital and reserves	84	780230	820522
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	2693140	2546697

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

Global business

Financial year ended **31 December 2010**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	2258947	GL	31	12	2010	£000
				This financial year		Previous year		
				1		2		
Transfer (to)/from the general insurance business technical account	From Form 20	11	(187621)			(70306)		
	Equalisation provisions	12	(1722)			(1545)		
Transfer from the long term insurance business revenue account		13						
Investment income	Income	14	95454			105531		
	Value re-adjustments on investments	15	12972			9024		
	Gains on the realisation of investments	16	10173			4289		
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	7308			295		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	(63436)			47287		
Tax on profit or loss on ordinary activities		31	(21422)			10856		
Profit or loss on ordinary activities after tax (29-31)		39	(42014)			36431		
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	(42014)			36431		
Dividends (paid or foreseeable)		51						
Profit or loss retained for the financial year (49-51)		59	(42014)			36431		

General insurance business : Summary of business carried on

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	2258947	GL	31	12	2010
			Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year	
			1	Reported	Incurred but not reported	4	
				2	3		
1	Total business	1	1102139	806461	807231	530949	
2	Total primary (direct) and facultative business	2	1102139	796328	785115	530949	
3	Total treaty reinsurance accepted business	3		10133	22116		
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4	1674	345	507	608	
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	551362	653827	724732	267856	
160	Primary (direct) and facultative household and domestic all risks	6	478134	133112	51948	229603	
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	70969	9044	7928	32882	
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					
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10					
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11					
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12					
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13					
350	Total primary (direct) and facultative goods in transit	14					
400	Miscellaneous primary (direct) and facultative business	15					
500	Total non-proportional treaty reinsurance 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		10133	22116		
	Total (lines 4 to 18)	20	1102139	806461	807231	530949	

General insurance business : Summary of business carried on

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	2258947	GL	31	12	2010
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
			1	Reported	Incurred but not reported	4	
			2	3			

Primary (direct) and facultative personal lines business

Category number	Description	R20A	Gross Premium	Reported	Incurred but not reported	Provision for gross unearned premium
111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23	1674	345	507	608
114	Personal accident or sickness	24				
121	Private motor - comprehensive	25	493178	540202	683878	239590
122	Private motor - non-comprehensive	26	58184	113157	40354	28266
123	Motor cycle	27		468	500	
160	Household and domestic all risks (equals line 6)	28	478134	133112	51948	229603
181	Assistance	29	18846	211	797	8891
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32	49133	8488	6636	23991
185	Mortgage indemnity	33				
186	Pet insurance	34	2990	346	496	
187	Other personal financial loss	35				

Primary (direct) and facultative commercial lines business

Category number	Description	R20A	Gross Premium	Reported	Incurred but not reported	Provision for gross unearned premium
221	Fleets	41				
222	Commercial vehicles (non-fleet)	42				
223	Motor other	43				
261	Commercial property	44				
262	Consequential loss	45				
263	Contractors or engineering all risks	46				
271	Employers liability	47				
272	Professional indemnity	48				
273	Public and products liability	49				
274	Mixed commercial package	50				
281	Fidelity and contract guarantee	51				
282	Credit	52				
283	Suretyship	53				
284	Commercial contingency	54				

Primary (direct) and facultative aviation

Category number	Description	R20A	Gross Premium	Reported	Incurred but not reported	Provision for gross unearned premium
331	Aviation liability	61				
332	Aviation hull	62				
333	Space and satellite	63				

General insurance business : Summary of business carried on

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Category number	FSA return general insurance business reporting category	Company registration number		GL/ UK/ CM	day month year			units
		R20A	2258947	GL	31	12	2010	£000
		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year			
		1	Reported	Incurred but not reported	3		4	
			2					

Primary (direct) and facultative marine and transport

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

Primary (direct) and facultative miscellaneous

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

510	Non-proportional accident and 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 and 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 (equals line 18)	101		10133		22116	
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	Total (lines 21 to 101)	111	1102139	806461		807231	530949
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General insurance business : Technical account (excluding equalisation provisions)

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total business

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2010	£000	001
Items to be shown net of reinsurance				This financial year				Previous year	
				1				2	
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	1094042	1083360					
	Claims incurred (22.17.4)	12	917875	805005					
	Claims management costs (22.18.4)	13	34144	29360					
	Adjustment for discounting (22.52.4)	14	70159						
	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	309001	326733					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(96818)	(77737)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	237325	(18316)					
	Claims management costs (22.14.4)	23	25070	14086					
	Adjustment for discounting (22.51.4)	24	171591	3202					
	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	(90803)	7431					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	(187621)	(70306)					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	(187621)	(70306)					

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total primary (direct) and facultative business

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2010	£000	002
Items to be shown net of reinsurance				This financial year 1				Previous year 2	
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	1094042	1083360					
	Claims incurred (22.17.4)	12	917875	805005					
	Claims management costs (22.18.4)	13	34144	29360					
	Adjustment for discounting (22.52.4)	14	70159						
	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	309001	326733					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(96818)	(77737)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	229406	(17243)					
	Claims management costs (22.14.4)	23	24651	13949					
	Adjustment for discounting (22.51.4)	24	171591	3202					
	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	(82466)	6496					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	(179283)	(71242)					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	(179283)	(71242)					

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total treaty reinsurance accepted business

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2010	£000	003
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				7919	(1073)	
	Claims management costs	(22.14.4)	23				419	138	
	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				(8338)	936	
Balance from underwriting year accounting	Per Form 24	(24.69.99-99)	31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				(8338)	936	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				(8338)	936	

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total primary (direct) and facultative personal lines motor business

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2010	£000	120
Items to be shown net of reinsurance			This financial year 1				Previous year 2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	566891	585051					
	Claims incurred (22.17.4)	12	639490	561223					
	Claims management costs (22.18.4)	13	24169	20391					
	Adjustment for discounting (22.52.4)	14	70159						
	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	103236	114917					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(129844)	(111479)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	264024	27346					
	Claims management costs (22.14.4)	23	18449	7747					
	Adjustment for discounting (22.51.4)	24	171591	3202					
	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	(110881)	(31892)					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	(240726)	(143371)					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	(240726)	(143371)					

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Primary (direct) and facultative household and domestic all risks

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2010	£000	160
Items to be shown net of reinsurance				This financial year				Previous year	
				1				2	
This year's underwriting (accident year accounting)	Earned premium (21.19.5)		11				451883	459353	
	Claims incurred (22.17.4)		12				263148	229739	
	Claims management costs (22.18.4)		13				9368	8565	
	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				181619	189228	
Balance of year's underwriting (11-12-13+14-15+16-17)		19				(2251)	31821		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21						
	Claims incurred (22.13.4)		22				(29036)	(32837)	
	Claims management costs (22.14.4)		23				5638	6495	
	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				23399	26342		
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)		31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				21148	58163	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				21148	58163	

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total primary (direct) and facultative personal lines financial loss business

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2010	£000	180
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	73402	37085					
	Claims incurred (22.17.4)	12	13518	12704					
	Claims management costs (22.18.4)	13	541	364					
	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	23776	21890					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	35567	2128					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(5132)	(11511)					
	Claims management costs (22.14.4)	23	547	(311)					
	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	4585	11822					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	40152	13950					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	40152	13950					

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Balance of all primary (direct) and facultative business

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2010	£000	409
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	1865	1871					
	Claims incurred (22.17.4)	12	1719	1338					
	Claims management costs (22.18.4)	13	66	41					
	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	370	698					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(290)	(207)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(450)	(241)					
	Claims management costs (22.14.4)	23	18	18					
	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	432	223					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	143	16					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	143	16					

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Balance of all treaty reinsurance accepted business

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2010	£000	709
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				7919	(1073)	
	Claims management costs (22.14.4)		23				419	138	
	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				(8338)	936	
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)		31						
	Other technical income or charges (particulars to be specified by way of supplementary note)		32						
	Total		39						
Balance of all years' underwriting (19+29+39)			49				(8338)	936	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				(8338)	936	

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total business

		Company registration number	GL/UK/CM	day month year			Units	Category number	
		R21	2258947	GL	31	12	2010	£000	001
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
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		
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	330	170	4		326	170	
	For periods of 12 months	14	570860	530779	10885	20293	559975	510486	
	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	554904		21163		533742		
Total (12 to 16)		19	1126094	530949	32052	20293	1094043	510657	

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R21	2258947	GL	31	12	2010	£000	002
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
		1		3		5			
In respect of risks incepted in previous financial years	11								
		Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year		
		1	2	3	4	5	6		
In respect of risks incepted in previous financial years	12								
In respect of risks incepted in this financial year	For periods of less than 12 months	13	330	170	4		326	170	
	For periods of 12 months	14	570860	530779	10885	20293	559975	510486	
	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	554904		21163		533742		
Total (12 to 16)		19	1126094	530949	32052	20293	1094043	510657	

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative personal lines motor business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R21	2258947	GL	31	12	2010	£000	120
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
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		
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	283506	267856	1842	1391	281664	266465	
	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	289377		4150		285227		
Total (12 to 16)		19	572884	267856	5992	1391	566891	266465	

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Primary (direct) and facultative household and domestic all risks

		Company registration number	GL/UK/CM	day month year			Units	Category number	
		R21	2258947	GL	31	12	2010	£000	160
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years		Earned in previous financial years		Earned in previous financial years			
		1		3		6			
In respect of risks incepted in previous financial years	11								
		Earned In this financial year	Uneamed at end of this financial year	Earned In this financial year	Uneamed at end of this financial year	Earned In this financial year	Uneamed 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	248531	229603	9048	18902	239483	210701	
	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	229412		17012		212400			
Total (12 to 16)	19	477943	229603	26060	18902	451883	210701		

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative personal lines financial loss business

		Company registration number	GL/UK/CM	day month year			Units	Category number	
		R21	2258947	GL	31	12	2010	£000	180
		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	38087	32882	1		38086	32882	
	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	35316				35316		
Total (12 to 16)		19	73403	32882	1		73402	32882	

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all primary (direct) and facultative business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R21	2258947	GL	31	12	2010	£000	409
Premiums receivable during the financial year		Gross premiums written		Reinsurers' share			Net of reinsurance		
		Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5			
In respect of risks incepted in previous financial years	11								
		Earned in this financial year 1	Uneamed at end of this financial year 2	Earned in this financial year 3	Uneamed at end of this financial year 4	Earned in this financial year 5	Uneamed at end of this financial year 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	330	170	4		326	170	
	For periods of 12 months	14	736	438	(5)		741	438	
	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	799				799			
Total (12 to 16)	19	1865	608	(1)		1865	608		

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2010	£000	001
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		1003691	358971		1049931	405212	
	Reinsurers' share	12		78013	2097		243803	167887	
	Net (11-12)	13		925678	356874		806129	237325	
	Claims management costs	14		16963	25977		16055	25070	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			367013		563761	930774	
	Reinsurers' share	16			64		12835	12899	
	Net (15-16)	17			366949		550925	917875	
	Claims management costs	18			26555		7588	34144	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		63144	150567		63987	149724	
	Other acquisition expenses	22		29585	60771		28263	62093	
	Administrative expenses	23			97184			97184	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29		92729	308522		92250	309001	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31		27624			429048	401424	
	Reinsurers' share	32		24423			184096	159673	
	Claims management costs	33							
	Total (31-32+33)	39		3202			244952	241751	
Split of line 29	Prior financial years	41							
	This financial year	42		92729	308522		92250	309001	
Split of line 39	Incidents occurring prior to this financial year	51		3202			174793	171591	
	Incidents occurring in this financial year	52					70159	70159	

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2010	£000	002
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	974472		354082		1017683	397293	
	Reinsurers' share	12	78013		2097		243803	167887	
	Net (11-12)	13	896459		351985		773880	229406	
	Claims management costs	14	16426		25623		15454	24651	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			367013		563761	930774	
	Reinsurers' share	16			64		12835	12899	
	Net (15-16)	17			366949		550925	917875	
	Claims management costs	18			26555		7588	34144	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	63144		150567		63987	149724	
	Other acquisition expenses	22	29585		60771		28263	62093	
	Administrative expenses	23			97184			97184	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29	92729		308522		92250	309001	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	27624				429048	401424	
	Reinsurers' share	32	24423				184096	159673	
	Claims management costs	33							
	Total (31-32+33)	39	3202				244952	241751	
Split of line 29	Prior financial years	41							
	This financial year	42	92729		308522		92250	309001	
Split of line 39	Incidents occurring prior to this financial year	51	3202				174793	171591	
	Incidents occurring in this financial year	52					70159	70159	

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total treaty reinsurance accepted business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2010	£000	003
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	29219	4890	32249	7919			
	Reinsurers' share	12							
	Net (11-12)	13	29219	4890	32249	7919			
	Claims management costs	14	536	354	601	419			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21							
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29							
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42							
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total primary (direct) and facultative personal lines motor business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2010	£000	120
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11		789319	259700		961962	432343	
	Reinsurers' share	12		74795	1561		241553	168319	
	Net (11-12)	13		714523	258138		720409	264024	
	Claims management costs	14		15263	18793		14919	18449	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			235792		416597	652389	
	Reinsurers' share	16					12899	12899	
	Net (15-16)	17			235792		403698	639490	
	Claims management costs	18			17061		7108	24169	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21		13099	21328		9691	24736	
	Other acquisition expenses	22		16092	32400		14781	33711	
	Administrative expenses	23			44789			44789	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29		29191	98517		24472	103236	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31		27624			429048	401424	
	Reinsurers' share	32		24423			184096	159673	
	Claims management costs	33							
	Total (31-32+33)	39		3202			244952	241751	
Split of line 29	Prior financial years	41							
	This financial year	42		29191	98517		24472	103236	
Split of line 39	Incidents occurring prior to this financial year	51		3202			174793	171591	
	Incidents occurring in this financial year	52					70159	70159	

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Primary (direct) and facultative household and domestic all risks

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2010	£000	160
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	160806		86454		44884	(29468)	
	Reinsurers' share	12	3218		536		2250	(432)	
	Net (11-12)	13	157588		85918		42634	(29036)	
	Claims management costs	14	1140		6256		521	5638	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			122972		140176	263148	
	Reinsurers' share	16							
	Net (15-16)	17			122972		140176	263148	
	Claims management costs	18			8898		470	9368	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	48994		128482		53495	123981	
	Other acquisition expenses	22	12737		26530		13024	26243	
	Administrative expenses	23			31395			31395	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29	61731		186407		66520	181619	
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	61731		186407		66520	181619	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total primary (direct) and facultative personal lines financial loss business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2010	£000	180
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	23612		7682		10798	(5132)	
	Reinsurers' share	12							
	Net (11-12)	13	23612		7682		10798	(5132)	
	Claims management costs	14	23		556		14	547	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			7344		6174	13518	
	Reinsurers' share	16							
	Net (15-16)	17			7344		6174	13518	
	Claims management costs	18			531		10	541	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	1050		756		800	1006	
	Other acquisition expenses	22	619		1739		449	1909	
	Administrative expenses	23			20861			20861	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29	1669		23356		1249	23776	
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	1669		23356		1249	23776	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Balance of all primary (direct) and facultative business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2010	£000	409
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	735		246		38	(450)	
	Reinsurers' share	12							
	Net (11-12)	13	735		246		38	(450)	
	Claims management costs	14			18			18	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			906		813	1719	
	Reinsurers' share	16			64		(64)		
	Net (15-16)	17			842		877	1719	
	Claims management costs	18			66			66	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21							
	Other acquisition expenses	22	137		103		9	231	
	Administrative expenses	23			140			140	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29	137		242		9	370	
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	137		242		9	370	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Balance of all treaty reinsurance accepted business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2010	£000	709
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	29219	4890	32249	7919			
	Reinsurers' share	12							
	Net (11-12)	13	29219	4890	32249	7919			
	Claims management costs	14	536	354	601	419			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
	Claims management costs	18							
Provision for unexpired risks		19							
Net operating expenses	Commissions	21							
	Other acquisition expenses	22							
	Administrative expenses	23							
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29							
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31							
	Reinsurers' share	32							
	Claims management costs	33							
	Total (31-32+33)	39							
Split of line 29	Prior financial years	41							
	This financial year	42							
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

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

Name of insurer

Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total business

Accident year ended	Month	Year	Company registration number		GL/UK/CM	day month year			Units	Category number					
			R23	2268947		GL	31	12			2010	£000			
			Claims outstanding brought forward		Deduction for discounting from claims outstanding carried forward (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %						
			Reported (net)	Incurred but not reported (net)						Reported (net)	Incurred but not reported (net)				
			Claims outstanding carried forward		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 brought forward	Deduction for discounting from claims outstanding carried forward (net)	Claims ratio %						
			Reported (net)	Incurred but not reported (net)						Reported (net)	Incurred but not reported (net)				
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11				366950	278444	272482			917875	70159	1094042		83.9
12	2009	12		431546		215234	183084	142561	295070	136476	109332	64790	1083360	25.3	84.4
12	2008	13		342048	188256	50796	78362	75511	128262	42958	35449	36018	1076476	14.9	67.4
12	2007	14		283889	303325	32909	66529	31394	84493	24722	21618	16079	945659	0.4	75.9
12	2006	15		347949	202601	26508	37435	25888	61961	13883	13988	12328	932277	(16.0)	62.9
12	2005	16		350329	226691	16686	25779	18704	40809	5960	14401	12125	955068	(17.8)	64.5
12	2004	17		213495	221058	6891	26610	18612	30732	5986	15393	13107	980870	28.0	60.7
12	2003	18		351579	256364	3247	17334	7920	8284	9272	10944	12298	944862	(19.0)	64.0
12	2002	19		294237	281419	1142	4284	7447	6811	5140	921	1835	1120787	0.0	63.7
12	2001	20		169448	338673	584	8713	7594	7541	14104	(4754)	3817	789903	109.8	70.5
Prior accident years			21			2877	7954	14413	4238	972	20033	2796			
Reconciliation			22												
Total (11 to 22)			29			723824	734529	622525	666201	259475	1155202	244952			

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

Name of insurer

Churchill Insurance Company Limited

Global business

Financial year ended

31 December 2010

Total primary (direct) and facultative business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		Claims outstanding brought forward		R23	2258947	GL	day month year			Units	Category number
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)				31	12	2010		
	12	2010				366950	278444	272482			8	9	10	11	12	13		
	12	2009	373459	431546	188256	215234	183084	142561	136476	109332	136476	109332	64790	1093360	25.3	84.4		
	12	2008	333148	342048	188256	50796	78362	75511	42958	35449	42958	35449	36018	1076476	14.9	67.4		
	12	2007	283889	432551	303325	32909	65529	31394	24722	21618	24722	21618	16079	845659	0.4	75.9		
	12	2006	294054	347949	202601	26508	37435	25888	13883	13888	13883	13888	12328	932277	(16.0)	62.9		
	12	2005	328153	350329	226691	16686	25779	18704	5960	14401	5960	14401	12125	955068	(17.8)	64.5		
	12	2004	321943	213495	221082	6881	25398	17624	4367	16030	4367	16030	13107	980870	26.9	60.4		
	12	2003	272711	327450	235904	3170	16599	4585	5288	11598	5288	11598	12298	832043	(20.5)	64.1		
	12	2002	269859	195182	190583	251	3932	4634	2161	778	2161	778	1635	769345	2.2	61.0		
	12	2001	201070	169448	153830	277	8185	5416	612	9893	612	9893	3617	532266	(1.0)	69.3		
Prior accident years		21				(727)	649	1609	972	(3680)	972	(3680)	2796					
Reconciliation		22																
Total (11 to 22)		29				718935	724396	600409	237399	1147282	237399	1147282	244952					

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

Name of insurer

Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Total treaty reinsurance accepted business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		R23	2258947	GL	day month year			Units	Category number	
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)				31	12	2010			£000
	12	2010	11					5	6	7	8	9	10	11	12	13			
	12	2009	12																
	12	2008	13																
	12	2007	14																
	12	2006	15																
	12	2005	16																
	12	2004	17		6	11	1212	997	1226	1621	(637)								
	12	2003	18	47085	24129	20460	735	3335	815	3985	(653)			112819	2.0	63.5			
	12	2002	19	149945	99055	90836	352	2812	934	2978	143			351442	(4.2)	69.7			
	12	2001	20		184843	307	528	2178	4169	13492	(14647)			257637		72.9			
	Prior accident years		21			3604	7305	12804			23713								
	Reconciliation		22																
	Total ('11 to 22)		29			4890	10133	22116	7143	22076	7919								

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative personal lines motor business

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number							
	R23	GL		2258947	31	12			2010	£000	120				
Month	Year	1	2	3	4	Claims outstanding forward		Claims outstanding brought forward		Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %		
		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)					8	9
12	2010	11			235792	178652	225046			70159	566891		112.8		
12	2009	12	322512		143661	164347	135729	218805	103707	64790	585051	37.6	116.6		
12	2008	13	232121	122909	41289	71584	72442	109726	36818	36018	548451	32.8	94.1		
12	2007	14	250339	166761	27360	60094	30383	73440	18378	16079	480084	13.7	91.5		
12	2006	15	231657	126794	22374	32663	24868	52656	7137	12328	472867	(10.8)	82.7		
12	2005	16	240763	143367	14697	23774	18367	36447	3014	12125	495629	(16.8)	77.5		
12	2004	17	96533	145896	6286	24856	17295	28095	3128	13107	524823	101.3	73.8		
12	2003	18	210103	145610	2663	15534	4269	5650	1324	12298	479299	(20.0)	71.8		
12	2002	19	133704	130211	349	3808	4631	5485	1841	1635	487900	4.0	64.5		
12	2001	20	132465	117582	289	8129	5380	3265	554	3617	382494	(0.8)	76.3		
Prior accident years		21			(810)	649	1606	4082	960	2796					
Reconciliation		22													
Total (11 to 22)		29			493930	584090	540017	537661	176862	244952					

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

Name of insurer

Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

Primary (direct) and facultative household and domestic all risks

Accident year ended	Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		2258947	GL	day month year			Units	Category number	
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)			31	12	2010			£000
12	2010	11				122973	97447	42729			263148				11	12	13	56.2
12	2009	12	128558	101182		68579	16629	4483	73342	27839	(11490)				459353			47.5
12	2008	13	117366	104229	65637	7786	5047	2209	13428	3287	(1673)				449419			44.1
12	2007	14	125358	178455	135666	3993	4778	595	7967	4682	(3282)				397386			66.0
12	2006	15	103534	115593	73471	3021	3567	867	5868	5985	(4398)				399946			46.1
12	2005	16	139605	108821	83128	1479	1689	332	3131	2883	(2314)				411968			54.9
12	2004	17	128638	116307	75068	577	524	328	1383	1209	(1162)				429009			47.8
12	2003	18	96694	117155	90211	491	1059	314	1801	3962	(3898)				332663			56.7
12	2002	19	94122	61296	60248	(98)	121	1	378	319	(674)				262431			58.8
12	2001	20	40538	36799	36034	8	55	32	106	58	(69)				133798			57.3
Prior accident years		21				82	0	2	154	6	(76)							
Reconciliation		22																
Total (11 to 22)		29				208891	130917	51893	107558	50031	254112							

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all primary (direct) and facultative business

Company registration number	GL/UK/CM	day month year	Units	Category number
R23	2258947	GL	31 12 2010	£000
				409

Accident year ended			Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
Month	Year						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11				842	321	556			1719		1866		92.1
12	2009	12	648	691		252	9	13	222	468	(417)		1871	(60.3)	49.3
12	2008	13	583	342	255	(3)	1	1	14	30	(45)		1800	(25.9)	46.4
12	2007	14	61	110	106	(3)	1				(2)		289	(4.8)	57.4
12	2006	15													
12	2005	16					11				11				
12	2004	17					2				2				
12	2003	18													
12	2002	19													
12	2001	20													
Prior accident years		21													
Reconciliation		22													
Total (11 to 22)		29				1088	345	571	237	498	1269				

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all treaty reinsurance accepted business

Accident year ended	Month	Year	Company registration number										Units	Category number		
			R23		2258947		GL		31 12 2010		£000				709	
			Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed 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 claims reserve %	Claims ratio %	
			1	2	3	4	5	6	7	8	9	10	11	12	13	
12	2010	11														
12	2009	12														
12	2008	13														
12	2007	14														
12	2006	15														
12	2005	16														
12	2004	17			6	11	1212	987	1226	1621	(637)					
12	2003	18	47085	24129	20460	76	735	3335	815	3985	(653)		112819	2.0	63.5	
12	2002	19	149945	99055	90836	891	352	2812	934	2978	143		351442	(4.2)	69.7	
12	2001	20			184843	307	528	2178	4169	13492	(14647)		257637		72.9	
Prior accident years						3604	7305	12804			23713					
Reconciliation																
Total (11 to 22)						4890	10133	22116	7143	22076	7919					

General insurance business : Expected income and yield from admissible assets covering discounted provisions

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Company registration number **2258947**
 GLJ UK CU
 day month year
 Units

Major currencies	Reporting territory code	Total admissible assets as shown on Form 13	Admissible assets hypothecated to cover the provision for outstanding claims being discounted	Expected income from assets included in column 2	Yield %	Technical provisions	Provision for outstanding claims being discounted		R30	Unwind in the discount in the next financial year	Rates of interest at which the provision is being discounted			£000
							Before deduction for discounting	Deduction for discounting			Highest	Lowest	Average rate	
	AA	1	2	3	4	5			8		9	10	11	
		2507580	2507580	75170	3.0	1646402	375737	244852	5349	4.5	4.5	4.5	4.5	
		12												
		13												
		14												
		15												
		16												
		17												
		18												
		19												
		20												
		21												
Other currencies														
Total		29	2507580	2507580		1646402	375737	244852	5349	4.5	4.5	4.5	4.5	

General insurance business : Expected income and yield from admissible assets covering discounted provisions

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

		Company registration number	GL/UK/CM	day month year			Units	
		R30	2258947	GL	31	12	2010	£000
Type of asset			Value of admissible assets as shown on Form 13 1	Admissible assets hypothecated to cover the provision for outstanding claims being discounted 2	Expected income from assets included in column 2 3			Yield % 4
Land and buildings		31	1035	1035				
Fixed interest securities	Approved securities	32	951297	951297	17162			1.8
	Other	33	598001	598001	25486			4.3
Variable interest and variable yield securities (excluding items shown at line 36)	Approved securities	34						
	Other	35	200003	200003	6202			3.1
Equity shares and holdings in collective investment schemes		36						
Loans secured by mortgages		37						
All other assets	Producing income	38	682619	682619	26320			3.9
	Not producing income	39	74625	74625				
Total		49	2507580	2507580	75170			3.0

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

Name of insurer **Churchill Insurance Company Limited** Currency **British Pound** Reporting Territory **United Kingdom other than home foreign** Global business

Financial year ended **31 December 2010**

Primary (direct) and facultative household and domestic all risks

R31	2258947	GL	31	12	2010	000	160	GBP	AA
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Accident year ended	Month	Year	Number of claims		Gross claims paid		Gross claims outstanding			Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross premiums earned	Claims ratio %	
			Reported	In previous financial years	In this financial year	Gross claims outstanding	In this financial year	In previous financial years	In this financial year				In previous financial years
12	11	2010	91649	40466	122973	97437	42739		263149	477943	55.1		
12	12	2009	124163	2838	128558	68579	16639	4493	73342	27839	(11470)	45.0	
12	13	2008	134925	678	183001	7786	6661	2219	15012	3287	(1633)	41.5	
12	14	2007	170315	376	342792	4290	4831	607	8878	4682	(3832)	70.1	
12	15	2006	176380	228	227458	3046	3567	872	5878	5985	(4377)	43.9	
12	16	2005	371421	2706	274457	1434	1689	334	3131	2683	(2357)	50.8	
12	17	2004	254227	2031	257560	577	524	329	1383	1209	(1162)	46.1	
12	18	2003	194989	711	240977	681	1526	317	2365	3962	(3803)	55.0	
12	19	2002	147792	294	154901	(5)	181	1	521	319	(664)	59.1	
12	20	2001	73269	130	77123	(16)	56	37	112	58	(93)	53.5	
		Prior accident years		21		97	82	1	154	6	(77)		
		Total (11 to 21)		29		50555	209426	133112	51948	110775	50030	233681	
		Line 29 expressed in sterling		30			209426	133112	51948	110775	50030	233681	

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

Name of insurer Churchill Insurance Company Limited
 Currency British Pound
 Reporting Territory United Kingdom other than home foreign

Financial year ended 31 December 2010

Private motor - comprehensive

R32	2258947	GL	31	12	2010	000	121	GBP	AA
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Accident year ended	Month	Year	Number of claims		Gross claims paid		Gross claims outstanding		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)		Gross premiums earned	Claims ratio %	Vehicle (000's)	Claims frequency %
			Reported claims outstanding	In previous financial years	Gross claims paid	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported	Reported	Incurred but not reported				
12	12	2010	168598	64592	222149	156747	220904		599801	512429	117.1	1687	13.8			
12	12	2009	229194	14284	220431	121305	136528	141575	186941	84697	127771	529196	117.1	1758	13.8	
12	12	2008	218675	4254	298446	34612	64856	81873	97687	28529	55125	494833	97.0	1637	13.6	
12	12	2007	25062	1983	354336	22138	59640	55746	68940	15808	52776	516801	95.2	1714	14.7	
12	12	2006	262088	750	357702	15810	24267	37556	36969	6674	33990	530457	82.1	1752	15.0	
12	12	2005	416584	440	362235	12415	27207	31089	33699	3223	33789	546640	79.2	1769	23.6	
12	12	2004	343155	170	382139	4449	18373	24881	20616	2496	24591	585883	73.4	1791	19.2	
12	12	2003	272289	74	364336	2697	14639	6881	4897	1290	18030	521787	74.5	1698	16.0	
12	12	2002	211180	40	29934	322	8647	20876	8019	1877	19948	398615	82.7	1288	16.4	
12	12	2001	188603	22	253750	349	357	50889	1367	148	50080	335635	91.0	1146	18.5	
Prior accident years			21	22	(1890)	28940	11608	27952	159	10547						
Total (1 to 21)			29	86631	434355	540202	683878	487087	144901	1026447						
Line 29 expressed in sterling			30													

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

Name of insurer Churchhill Insurance Company Limited Currency British Pound Reporting Territory United Kingdom other than home foreign

Financial year ended 31 December 2010

Private motor - non-comprehensive

AA	GL	2258947	R32
31	12	2010	000
122	GBP		

Accident year ended	Month	Year	Number of claims		Gross claims paid	Gross claims outstanding		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 premiums earned	Claims ratio %	Vehicle years (000's)	Claims frequency %	
			Reported	Outstanding		Reported	Outstanding		Reported	Outstanding						
12	12	2010	380	4309	13642	21905	17041		52588	60455	87.0	136	5.6			
12	12	2009	9574	1932	18258	22356	27819	10359	32207	23730	4597	62433	126.2	192	6.0	
12	12	2008	9702	625	32480	6677	6931	2747	12463	11325	(7433)	60535	80.7	188	5.5	
12	12	2007	12408	382	43969	5223	7853	2140	9959	5752	(495)	64502	91.8	217	5.9	
12	12	2006	14684	162	51578	6923	8989	2514	16602	3428	(1604)	77062	90.8	260	5.7	
12	12	2005	26480	93	57258	2290	2343	321	4659	390	(96)	90469	68.8	312	8.5	
12	12	2004	29352	48	69933	1881	5965	1857	7168	609	1927	105832	75.2	335	8.8	
12	12	2003	24727	20	66762	275	1104	463	1387	192	263	116875	58.7	348	7.1	
12	12	2002	20196	18	53787	486	5321	871	5601	327	751	89286	67.7	287	7.0	
12	12	2001	16362	4	43109	127	10780	1236	10906	747	490	73171	75.5	239	6.8	
Prior accident years			21	8	1256	14147	804	8081	829	7297						
Total (11 to 21)			7601		61138	113157	40354	109034	47329	58286						
Line 29 expressed in sterling			30		61138	113157	40354	109034	47329	58286						

Equalisation provisions

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

		Company registration number	GL/UK/CM	day month year			Units	
		R37	2258947	GL	31	12	2010	£000
Calculation of the maximum provision		Business grouping A (property) 1	Business grouping B (business interruption) 2	Business grouping C (marine and aviation) 3	Business grouping D (nuclear) 4	Business grouping E (non-proportional treaty) 5	All business groupings 6	Credit insurance business 7
Total net premiums written in the previous 4 years	11	1707891						
Net premiums written in the current year	12	450184						
Maximum provision	13	86323					86323	

Calculation of the transfer to/from the provision

Equalisation provision brought forward	21						84601	
Transfers in	22	13506					13506	
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						98107	
Excess, if any, of 26 over 13	27						11784	
Equalisation provision carried forward (26-27)	28						86323	
Transfer in/(out) for financial year (28-21)	29						1722	

Equalisation provisions technical account : Accident year accounting

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

		Company registration number	GL/ UK/ CM	day month year			Units	
		R38	2258947	GL	31	12	2010	£000
		Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)		Business grouping E (non-proportional treaty)	
		1	2	3	4		5	
Other than credit business								
Net premiums earned	11	451883						
Claims incurred net of reinsurance	12	234461						
Trigger claims value	13	327615						
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	

Supplementary Notes to the ReturnName of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010*****0101* Modification to the Return**

This return has been prepared in accordance with the Accounts and Statements Rules as modified by the following written concession:

Rule INSPRU 2.1.22R is amended by the addition of the following new subparagraph (7):

"(7) For the purpose of this rule, a group of persons is not closely related by reason of the relationship described in INSPRU 2.1.40R (1) if control is exercised by, or on behalf of, HM Treasury."

This direction is given by the FSA under section 148 of the Financial Services and Markets Act 2000 ("the Act"). The direction takes effect from 16 June 2009 and ends on 31 March 2012.

***0301* – Reconciliation of Net Admissible Assets to Available Capital Resources**

	2010 £'000	2009 £'000
Form 13 line 89	2,692,665	2,514,923
Form 15 line 69	(1,999,233)	(1,810,776)
	693,432	704,147
Total capital resources after deductions (Form 3 line 79)	693,432	704,147

***0310* – Net Valuation Differences**

The following net valuation differences have been included in Form 3 to the Return:

	2010 £'000	2009 £'000
Line 14 – positive valuation differences	nil	Nil
Line 35 – other negative valuation differences	86,323	84,601

The other negative valuation differences represent a claims equalisation reserve of £86,323,000 which has been included in the Company's statutory accounts as Other Reserves (2009: £84,601,000).

***0313* – Reconciliation of Movement in Net Profit to Retained Profit For The Year**

	2010 £'000
Form 3 col 3 line 12 (Reserves c/f)	271,230
Form 3 col 4 line 12 (Reserves b/f)	(311,522)
Movement in Reserves	(40,292)
Movement on Claims Equalisation Reserve	(1,722)
Form 16 Line 59 – Loss Retained For The Financial Year	(42,014)

***1104* – Discounting**

Provision for claims outstanding at Form 11 line 51 are shown net of discounting for Periodical Payment Order (PPO) liabilities which are awards made by the Courts Act 2003. These awards involve a series of payments at fixed intervals, guaranteed for a fixed number of years or the lifetime of one or more individuals. The PPO liabilities included in the technical provisions are either in respect of annuities which have been awarded or reserves which are

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Supplementary Notes to the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

being held in anticipation of an obligation to pay out future annuities once an order is made by the Courts. These liabilities have thus been treated as annuities for the purpose of this return.

1305 – Maximum Counterparty Limits

The Company's investment guideline regarding counterparty exposures is that the maximum exposure to any one approved counterparty is continually reviewed and set as appropriate.

1306 – Exposure to Large Counterparties

The Company had the following exposure to large counterparties at the year end:

	£'000
UK Treasury (bonds)	714,322
Royal Bank of Scotland Group plc (bonds & deposits)	247,570
Barclays PLC (bonds & deposits)	111,712
	<u>1,073,604</u>

1315 – Particulars of amounts included at line 83 – Other Assets

	£'000
Current Tax Asset	28,453

1501 – Provision for Reasonably Foreseeable Adverse Variations

No provision is required in respect of foreseeable adverse variations. The Company has no derivative contracts and all obligations to deliver an asset or make a payment were felt to be prudently provided in the accounts.

1502 – Other Than Long Term Business Assets/Liabilities

- a) No charge has been made on the assets of the Company to secure the liabilities of any other person.
- b) There is no potential capital gains tax liability
- c) There are no guarantees, indemnities or other contractual commitments, effected other than in the ordinary course of insurance business, in respect of related companies
- d) There are no other contingent liabilities
- e) There are no fundamental uncertainties

1507 – Other Adjustment to Liabilities

An amount of £(86,323,000) has been included in Form 15 line 83 in respect of claims equalisation reserves. The claims equalisation reserve is now regarded as part of Capital and Reserves in Form 15 line 84. If the adjustment had not been made in Form 15 line 83 then the equalisation reserves would be double counted as they are also shown in Form 15 Lines 14/15.

1601 – Basis of Conversion

All transactions of the Company are conducted in Sterling. Therefore, a basis of conversion of foreign currency is not applicable.

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Supplementary Notes to the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

***1603* – Other Income and Charges**

	2010	2009
	£'000	£'000
Referral Income	7,087	-
Rental and sundry income	221	295
	<u>7308</u>	<u>295</u>

Interest on loans to policyholders is now shown within investment income in Form 16 Line 14.

***1700* – Derivative Contracts**

No Form 17 has been presented as the Company did not enter into any derivative contracts during the year, and no such contract was outstanding at year end.

***20Ab* – Risk categories**

The following risk categories include contracts of insurance against risk of death or injury to passengers:

- 121 – Private motor comprehensive
- 122 – Private motor non comprehensive

***20Ac* – Business Categories included at Form 20a**

Business reported in category 700 relates to assumed claims in run off.

	<u>Gross written</u> <u>Premium</u>	<u>Gross claims outstanding</u> <u>Reported</u>	<u>Incurred but</u> <u>not reported</u>	<u>Provision for gross</u> <u>unearned premium</u>
		<u>£'000</u>	<u>£'000</u>	
Motor	-	8,232	14,008	-
Home	-	1,901	8,108	-
	<u>-</u>	<u>10,133</u>	<u>22,116</u>	<u>-</u>

***20Ae* – Facultative Business**

There is no facultative reinsurance business included.

***20Af* - Balances Reported Under Category 113**

All the balances reported under Category 113 relate to category 1 Accident and Health under IPRU(INS) Annex 11.2 Part ii.

***20Ag* – Gross Premiums Written Attributable to Overseas Countries**

All gross premiums written are attributable to the UK.

***2007* – Particulars of Material Connected Party Transactions**

- i. The Company has entered into banking arrangements with The Royal Bank of Scotland Group plc. The exposure to the Royal Bank of Scotland plc is detailed in Note 1306. Additionally the Company has purchased UK treasury bonds also detailed in Note 1306.
- ii. A fellow subsidiary, RBS Insurance Services Limited (RBSIS), provides staff/administration services to the Company. During the course of 2010, an amount of £196,400,000 was recharged to the Company by RBSIS. At 31 December 2010, the Company owed £32,981,000 to RBSIS in respect of these services.

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Supplementary Notes to the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

2102 – Provision for Unearned Premium

The provision for unearned premiums accounted on an accident year basis is calculated using a daily basis or 12th basis. This method is employed as being the most accurate possible given the Company's data and existing systems.

2202 – Claims Management Expenses

The costs of administering claims are specifically identified within the Company's costing system and these, together with the appropriate share of support costs, make up the claims handling costs stated in the Return. Claims handling expenses are carried forward based on an estimate of the likely costs to be incurred in settling all outstanding claims. No provision is made for the cost of settling claims on proportional and non proportional treaty reinsurance business, as these costs are incurred by the reinsured.

2204 – Acquisition Costs

The costs of acquiring business are specifically identified within the Company's costing system and these, together with the appropriate share of support costs, make up the non-commission acquisition costs stated in the Return. Such acquisition costs are carried forward as a percentage of unearned premiums, derived as the ratio of non commission acquisition costs incurred to gross premiums written.

2205 – Unexpired Risk Reserve

In setting an unexpired risk reserve the Company offsets surpluses in one class of business against deficits in other classes within the same business segment on the grounds that all business classes within each business segment are managed together. In setting the reserve investment income is taken into consideration. No provision is required at 31 December 2010.

3001 *3003* Expected Income and Yield from Admissible Assets Covering Discounted Provisions

An adjustment for discounting has been made in the following categories:

Private Motor - Comprehensive (121)

The expected yield used in Form 30 is the annualised interest received on a non-compounding basis, divided by the current fair value of the assets.

The method used in calculating the deduction for discounting is based on the projection of expected claims cash payments including outstanding claims and IBNR. Using cash flows derived from the expected terms of the settlements, the assumed life expectancies and adjusted for the inflation agreed in the settlements, the effect of discounting is calculated as the difference between the present value of these cash flows arising using a discount rate of interest and the undiscounted value of these cash flows.

The rate of interest used in the discount calculations is 4.5%.

The expected average interval between the date of settlement for claims being discounted and the end of the financial year is 45 years on open and settled cases.

The criteria adopted for estimating the period that will elapse before claims are settled are: for each claim this is calculated as the mean of the insurer's and the claimant's expert advice on the claimant's life expectancy.

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.25 – Additional information on general business: Major Treaty Reinsurers

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

Reinsurer details	Connection	Proportional Reinsurance Treaties	Non Proportional Reinsurance Treaties	Debts outstanding included at F13L75	Deposits received included at F15L31	Anticipated recoveries
As required by Rule 9.25:		£000	£000	£000	£000	£000
Headrow Reinsurance Ltd Post Office Box 33 Maison Trinity Trinity Square St Peter Port Guernsey GY1 4AT	Wholly owned subsidiary of RBS Group, the Company's ultimate parent. Proportional Treaty commuted as at 30/09/07.	-	351	180	-	10,602
Lloyd's of London One Lime Street London EC3M 7HA	None	-	4,688	909	-	15
Munich Reinsurance Company Koniginstrasse 107 80802 Munchen Germany	None	-	4,315	801	-	5,967
Swiss Reinsurance Ltd 30 St Mary Axe London EC3A 8EP	None	-	1,509	540	-	5,771
Transatlantic Reinsurance Co. Com Exchange 55 Mark Lane London EC3R 7NE	None	-	1,589	291	-	-
Berkshire Hathaway 3555 Farnam Street Suite 1440 Omaha NE 68131 USA	None	-	1,536	262	-	1,148

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.26 – Additional information on general business: Major Facultative Reinsurers

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

Reinsurer details	Connection	Reinsurance premiums payable	Debts outstanding included at F13L75	Deposits received included at F15L31	Anticipated recoveries	Comments
As required by Rule 9.26:		£000	£000	£000	£000	£000
The company has no major facultative reinsurers						

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.27 – Information on Major General Business Reinsurance Cedants

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

Reinsurer details	Connection	Premiums receivable	Deposits made Include at F13L57	Deposits outstanding included at F13L74	Comments
As required by Rule 9.27:		£000	£000	£000	£000
The Company has no major cedants		-	-	-	

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32A – Additional information on Financial Reinsurance and Financing arrangements: general insurers.

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

The Company has no financial reinsurance agreements or similar financing arrangements in respect of ceded business.

All major reinsurance arrangements are controlled centrally within RBS Insurance in accordance with the Reinsurance Policy approved by the Board. The Policy specifies the forms of reinsurance that can be used and this list does not include financial reinsurances. Any reinsurance arrangements that fall outside the policy must be specifically approved by the Board and reinsurance expenditure approval resides with a small number of senior managers who are conversant with the policy. The operation of the reinsurance purchase process and the compliance with the reinsurance policy are subject to regular internal and external audits.

Any reinsurance contract that is accounted for as reinsurance must be processed within the reinsurance accounting processes and have followed the purchase and approval procedures defined within the Reinsurance Policy. To be an acceptable form of reinsurance within the Reinsurance Policy there must be an adequate degree of risk transfer.

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
Motor Programme Excess of Loss					
1 st Layer	Risks attaching in 12 months at 1 January 2010	£15,000,000 xs £10,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
2 nd Layer	Risks attaching in 12 months at 1 January 2010	Unlimited xs £25,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
3 rd Layer	Risks attaching in 12 months at 1 January 2010	£75,000,000 xs £25,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
4 th Layer	Risks attaching in 12 months at 1 January 2010	Unlimited xs £100,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
Liability Programme Excess of Loss	RBS Group Cover				
1 st Layer	Risks attaching in 12 months at 1 January 2010	£5,000,000 xs £5,000,000	2 Free, except EL which are unlimited	Group cover protecting DL / UKI / CIC / NIG	EL/PL/ Pet Liability/ Travel Liability
2 nd Layer	Risks attaching in 12 months at 1 January 2010	£15,000,000 xs £10,000,000	2 Free, except EL which are unlimited	Group cover protecting DL / UKI / CIC / NIG	EL/PL/ Pet Liability/ Travel Liability

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
Travel Programme Excess of Loss	RBS Group Cover				
1 st Layer	Losses occurring during 12 months at 1 st January 2010	£500,000 xs £500,000	4 at 100% AP	Group cover protecting DL / UKI / CIC / NIG	Accident / Travel
2 nd Layer	Losses occurring during 12 months at 1 st January 2010	£1,000,000 xs £1,000,000	2 at 100% AP	Group cover protecting DL / UKI / CIC / NIG	Accident / Travel
3 rd Layer	Losses occurring during 12 months at 1 st January 2010	£5,500,000 xs £2,000,000	1 at 100% AP	Group cover protecting DL / UKI / CIC / NIG	Accident / Travel

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Property Catastrophe Programme Excess of Loss</u>	From 01/10/2010				
1 st Layer	12 months at 1 October 2010	£80,000,000 xs £170,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
2 nd Layer	12 months at 1 October 2010	£200,000,000 xs £250,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
3 rd Layer	12 months at 1 October 2010	£325,000,000 xs £450,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
4 th Layer	12 months at 1 October 2010	£100,000,000 xs £775,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
5 th Layer	12 months at 1 October 2010	£350,000,000 xs £875,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
6 th Layer	12 months at 1 October 2010	£50,000,000 xs £1,225,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
7 th Layer	12 months at 1 October 2010	£50,000,000 xs £1,275,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Property Catastrophe Programme Excess of Loss</u>	From 01/10/2009				
1 st Layer	12 months at 1 October 2009	£180,000,000 xs £220,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
2 nd Layer	12 months at 1 October 2009	£250,000,000 xs £400,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
3 rd Layer	12 months at 1 October 2009	£250,000,000 xs £650,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
4 th Layer	12 months at 1 October 2009	£100,000,000 xs £900,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
5 th Layer	12 months at 1 October 2009	£250,000,000 xs £1,000,000,000 xs	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

6 th Layer	12 months at 1 October 2009	£50,000,000 xs £1,250,000,000 xs	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
7 th Layer	12 months at 1 October 2009	£25,000,000 xs £1,300,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
8 th Layer	12 months at 1 October 2009	£200,000,000 xs £220,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
9 th Layer	12 months at 1 October 2009	£265,000,000 xs £420,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
10 th Layer	12 months at 1 October 2009	£265,000,000 xs £685,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.32 – Additional information on Non-Facultative Reinsurance Arrangements

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

Accounting Class	Facultative reinsurance ceded	Non facultative reinsurance ceded	Total Ceded
	£000	£000	£000
120	-	3,232	3,232
160	-	27,950	27,950
180	-	1	1
409	-	14	14
Total	-	31,197	31,197

Summary of maximum probable losses per risk group, net of reinsurance, for any one incident or series of incidents arising from the same originating cause from:

	Any one contract of insurance	All such contracts taken together
	£000	£000
Motor	10,000	10,000
Home / Householders (RMS 1 in 273 year return period for Windstorm and Coastal Inundation combined. RBSI excluding TPF combined policy – includes Reinstatement premium)	247,340	247,340
Pet Liability	5,000	5,000
Travel incl Liability	5,000	5,000
Home Liability	5,000	5,000

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.29 – Additional information on Derivative and Quasi-Derivative Contracts

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

a) The following guidelines govern the use by the Company of derivative contracts:

Agreement is required from the Investment Committee for any direct exposure to derivatives,

The use of derivatives is permitted as and when required (e.g. to help protect the Company's solvency position) and the need for this is determined from time to time by the Investment Manager in liaison with the Funds Management Committee and other appropriate individuals,

The responsibility for the administration of the investments lies with the Finance Department so as, amongst other things, to ensure that the use of derivatives is monitored independently and any unauthorised use is immediately recognised,

All margin payments are required to be authorised by the Finance Department,

At all times the distribution of assets must be within the ranges specified in the investment policy when derivatives are taken into account. For forward contracts the test is on the basis that the contracts are settled. For option contracts the test must be satisfied both assuming that the option is exercised and that the option is not exercised,

The liabilities associated with certain derivatives based products are backed by deposits, the values of which are based on the movements in the FTSE 100 Share index. The value of these deposits is guaranteed not to fall below a given level either at maturity or at certain dates during their terms. The Company has counterparty risk only. Counterparties are required to be rated at least AA for long-term deposits in accordance with the requirements of our ultimate holding company.

b) The Company's investment guidelines, as noted above, allow, amongst other things, for the use of derivatives in order to protect the Company's solvency position. Such contracts may involve rights or obligations to acquire or dispose of assets which were not, at the time the contract was entered into, reasonably likely to be exercised. All derivative contracts were entered into for hedging purposes. The expectation was, at the point of being taken out, that they were not likely to be exercised, namely that the markets would not fall below levels specified in the contracts.

c) There are no derivative contracts outstanding at 31 December 2010.

Returns under the Accounts and Statement Rules of the Interim Prudential Sourcebook for Insurers

Statement in accordance with Rule 9.30 – Additional information on Controllers

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

The following persons have been shareholder controllers of the Company during the year ended 31 December 2010:

- | | |
|---|------|
| 1) RBS Insurance Group Limited (RBSIG) | |
| Percentage of shares in the Company held: | 100% |
| Percentage of votes in the Company held: | 100% |
| 2) The Royal Bank of Scotland Group Plc (RBS) | |
| Percentage of shares in RBSIG held: | 100% |
| Percentage of votes in RBSIG held: | 100% |
| 3) Solicitor for the Affairs of Her Majesty's Treasury
(UK Financial Investments Limited manages the shareholding) | |
| Percentage of shares in RBS held: | 84% |
| Percentage of votes in RBS held: | 70% |

Name of Company

Churchill Insurance Company Limited

Global Business

Financial year ended

31 December 2010

Certificate required by Rule 9.34 (Chapter 9 'Financial Reporting – Accounts and Statements') of the Interim Prudential Sourcebook for Insurers

We certify that:

1. the return, comprising Forms 1, 3, 10 to 23, 30 to 32, 37 and 38, (including the supplementary notes) and the statements required by rules 9.25, 9.26, 9.27, 9.29, 9.30, 9.32 and 9.32A, has been properly prepared in accordance with the Accounts and Statements Rules set out in part I and part IV of chapter 9 of IPRU(INS), the Interim Prudential Sourcebook for Insurers, GENPRU, the General Prudential Sourcebook and INSPRU, the Prudential Sourcebook for Insurers; and
2. the directors are satisfied that:
 - (i) throughout the financial year, the Company has complied in all material respects with the requirements in SYSC, Senior Management Arrangements, Systems and Controls, and PRIN, Principles for Business, sections of the FSA Handbook as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
 - (ii) it is reasonable to believe that the Company has continued so to comply subsequently, and will continue so to comply in future.



Director



Director



Director

22 March 2011

Name of Company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Independent auditor's report to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook for Insurers ("IPRU(INS)")

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, 10 to 23, 30 to 32, 37 and 38, (including the supplementary notes) on pages 1 to 56 ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 on pages 57 to 59 and rule 9.29 on page 68 ("the Statements").

We are not required to audit and do not express an opinion on:

- the statements required by IPRU(INS) rules 9.32 and 9.32A on pages 60 to 67 and rule 9.30 on page 69; and
- the certificate required by IPRU(INS) rule 9.34(1) on page 70.

Our report is provided to the directors of Churchill Insurance Company Limited in accordance with rule 9.35 of the Interim Prudential Sourcebook for Insurers. We acknowledge that our report will be provided to the FSA for the use of the FSA solely for the purposes set down by statute and the FSA's rules. Our work has been undertaken so that we might state to the insurer's directors those matters we are required to state to them in an auditors' report on an annual FSA return for an insurer and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the FSA, and the insurer, for our work, for this report, or for the opinions 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 a direction issued under section 148 of the Financial Services and Markets Act 2000 on 16 June 2009. 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 opinions to you. We also 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. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms and 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.

Name of Company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Independent auditor's report to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook for Insurers ("IPRU(INS)") (Continued)

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.

Deloitte LLP

Deloitte LLP

**Chartered Accountants and Statutory Auditor
London, United Kingdom**

23 March 2011