

Churchill Insurance Company Limited

Annual PRA Insurance Returns for the year ended

31 December 2015

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

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Statement of solvency - general insurance businessName of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2015**

Solo solvency calculation

R1	Company registration number	GL/UK/CM	day month year			Units
			31	12	2015	
	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	13560	37013
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	13560	37013

Guarantee fund

Guarantee fund requirement	21	2657	3139
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	10903	33874

Minimum capital requirement (MCR)

General insurance capital requirement	31	7644	9416
Base capital resources requirement	33	2657	2902
Individual minimum capital requirement	34	7644	9416
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	7644	9416
Excess (deficiency) of available capital resources to cover 50% of MCR	37	9738	32305
Excess (deficiency) of available capital resources to cover 75% of MCR	38	7827	29951

Capital resources requirement (CRR)

Capital resources requirement	41	7644	9416
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	5916	27597

Contingent liabilities

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2015**

	Company registration number	GL/UK/CM	day month year			Units	
	R3	2258947	GL	31	12	2015	£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	0		0	0
Profit and loss account and other reserves	12	13574		13574	37012
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	13574		13574	37013

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	13574		13574	37013
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39	13574		13574	37013

Components of capital resources

Name of insurer

Churchill Insurance Company Limited

Global business

Financial year ended

31 December 2015

	Company registration number	GL/UK/CM	day month year			Units
R3	2258947	GL	31	12	2015	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3		Total as at the end of the previous year 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 2015**

	Company registration number	GL/UK/CM	day month year			Units	
	R3	2258947	GL	31	12	2015	£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	13574			13574	37013
Inadmissible assets other than intangibles and own shares	73	14			14	
Assets in excess of market risk and counterparty limits	74					
Deductions for related ancillary services undertakings	75					
Deductions for regulated non-insurance related undertakings	76					
Deductions of ineligible surplus capital	77					
Total capital resources after deductions (72-73-74-75-76-77)	79	13560			13560	37013

Available capital resources for GENPRU/INSPRU tests

Available capital resources for guarantee fund requirement	81	13560			13560	37013
Available capital resources for 50% MCR requirement	82	13560			13560	37013
Available capital resources for 75% MCR requirement	83	13560			13560	37013

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 2015**

General insurance business

		Company registration number	GL/UK/CM	day month year			Units	
		R11	2258947	GL	31	12	2015	£000
						This financial year		Previous year
						1		2
Gross premiums written				11				
Premiums taxes and levies (included in line 11)				12				
Premiums written net of taxes and levies (11-12)				13				
Premiums for classes 11, 12 or 13 (included in line 13)				14				
Premiums for "actuarial health insurance" (included in line 13)				15				
Sub-total A (13 + 1/2 14 - 2/3 15)				16				
Gross premiums earned				21				
Premium taxes and levies (included in line 21)				22				
Premiums earned net of taxes and levies (21-22)				23				
Premiums for classes 11, 12 or 13 (included in line 23)				24				
Premiums for "actuarial health insurance" (included in line 23)				25				
Sub-total H (23 + 1/2 24 - 2/3 25)				26				
Sub-total I (higher of sub-total A and sub-total H)				30				
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure				31				
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18			32				
	Excess (if any) over 61.3M EURO x 0.02			33				
Sub-total J (32-33)				34				
Claims paid in period of 3 financial years				41			3937	5217
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			138398	148827
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			194040	168755
Sub-total C (41+42+43-44-45)				46			(51705)	(14711)
Amounts recoverable from reinsurers in respect of claims included in Sub-total C				47			(43972)	4297
Sub-total D (46-47)				48			(7733)	(19008)
Reinsurance Ratio (Sub-total D/sub-total C or, if more, 0.50 or, if less, 1.00)				49			0.50	1.00
Premiums amount (Sub-total J x reinsurance ratio)				50				
Provision for claims outstanding (before discounting and net of reinsurance)				51			5721	7046
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			7644	9416
Greater of lines 50 and 53				54			7644	9416

Calculation of general insurance capital requirement - claims amount and result

 Name of insurer **Churchill Insurance Company Limited**

Global business

 Financial year ended **31 December 2015**

General insurance business

		Company registration number	GL/UK/CM	day month year			Units	
		R12	2258947	GL	31	12	2015	£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				3937	5217	
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				138398	148827	
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				194040	168755	
Claims incurred in reference period (21+22+23-24-25)		26				(51705)	(14711)	
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				(51705)	(14711)	
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				(17235)	(4904)	
Division of sub-total F (gross adjusted claims amount)	x 0.26	32				(4481)	(1275)	
	Excess (if any) over 42.9M EURO x 0.03	33						
Sub-total G (32-33)		39				(4481)	(1275)	
Claims amount Sub-total G x reinsurance ratio (11.49)		41				(2241)	(1275)	
Higher of premiums amount and brought forward amount (11.54)		42				7644	9416	
General insurance capital requirement (higher of lines 41 and 42)		43				7644	9416	

Analysis of admissible assets

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2015**

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	2015	£000	1
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11				

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43	19264	45539
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	1
	More than one month withdrawal	55	0
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 2015**

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	2015	£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		
Claims outstanding	61	36834	36417
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	273	402
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	2	4
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81		
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		13
Accrued interest and rent	84		
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

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	56174	82375
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Analysis of admissible assets

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2015**

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	2015	£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	56174	82375
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	14	
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	56188	82375

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 2015**

Company registration number	GL/UK/CM	day	month	year	Units	
R15	2258947	GL	31	12	2015	£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		
Claims outstanding	12	42354	43463
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19	42354	43463

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	31			
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46			
Creditors	Taxation	47	143	
	Foreseeable dividend	48		
	Other	49	117	1899
Accruals and deferred income	51			
Total (19 to 51)	59	42614	45362	
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69	42614	45362	

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		
Capital and reserves	84	13574	37012
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	56188	82375

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

Global business

Financial year ended **31 December 2015**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	2258947	GL	31	12	2015	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account	From Form 20	11	520	(325)				
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13						
Investment income	Income	14	209	266				
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17	0	0				
	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						
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	729	(60)				
Tax on profit or loss on ordinary activities		31	148	(13)				
Profit or loss on ordinary activities after tax (29-31)		39	582	(47)				
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	582	(47)				
Dividends (paid or foreseeable)		51						
Profit or loss retained for the financial year (49-51)		59	582	(47)				

General insurance business : Summary of business carried on

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2015**

		Company registration number	GL/UK/CM	day month year			units	
		R20A	2258947	GL	31	12	2015	£000
Category number	PRA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year			
			Reported	Incurred but not reported				
		1	2	3	4			
001	Total business	1	112165	26040				
002	Total primary (direct) and facultative business	2	112165	26040				
003	Total treaty reinsurance accepted business	3						
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4						
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	112165	26040				
160	Primary (direct) and facultative household and domestic all risks	6						
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7						
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						
	Total (lines 4 to 18)	20	112165	26040				

General insurance business : Summary of business carried on

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2015**

		Company registration number	GL/UK/CM	day month year			units	
		R20A	2258947	GL	31	12	2015	£000
Category number	PRA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year			
			Reported	Incurred but not reported				
		1	2	3	4			

Primary (direct) and facultative personal lines business

111	Medical insurance	21			
112	HealthCare cash plans	22			
113	Travel	23			
114	Personal accident or sickness	24			
121	Private motor - comprehensive	25	83331	17539	
122	Private motor - non-comprehensive	26	28834	8501	
123	Motor cycle	27			
160	Household and domestic all risks (equals line 6)	28			
181	Assistance	29			
182	Creditor	30			
183	Extended warranty	31			
184	Legal expenses	32			
185	Mortgage indemnity	33			
186	Pet insurance	34			
187	Other personal financial loss	35			

Primary (direct) and facultative commercial lines business

221	Fleets	41			
222	Commercial vehicles (non-fleet)	42			
223	Motor other	43			
261	Commercial property	44			
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

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 2015**

Category number	PRA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
		R20A	2258947	GL	31	12	2015
		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	3			

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				
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Total (lines 21 to 101)		111	112165	26040		
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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 2015****Total business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2015	£000	001
Items to be shown net of reinsurance				This financial year				Previous year	
				1				2	
This year's underwriting (accident year accounting)	Earned premium	(21.19.5)	.11						
	Claims incurred	(22.17.4)	12						
	Claims management costs	(22.18.4)	13						
	Adjustment for discounting	(22.52.4)	14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16						
	Net operating expenses	(22.42.4)	17					0	
	Balance of year's underwriting (11-12-13+14-15+16-17)		19					(0)	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	(21.11.5)	21						
	Claims incurred	(22.13.4)	22				(1311)	(603)	
	Claims management costs	(22.14.4)	23				21	(39)	
	Adjustment for discounting	(22.51.4)	24				(770)	(966)	
	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				520	(325)	
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				520	(325)	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				520	(325)	

General insurance business : Technical account (excluding equalisation provisions)Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2015****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2015	£000	002
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11							
	Claims incurred (22.17.4)	12							
	Claims management costs (22.18.4)	13							
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17						0	
	Balance of year's underwriting (11-12-13+14-15+16-17)	19						(0)	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22				(1311)		(603)	
	Claims management costs (22.14.4)	23				21		(39)	
	Adjustment for discounting (22.51.4)	24				(770)		(966)	
	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					520	(325)	
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					520	(325)	
Allocated investment income		51							
Transfer to non-technical account (49+51)		59					520	(325)	

General insurance business : Technical account (excluding equalisation provisions)Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2015****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	2015	£000	120
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)		11						
	Claims incurred (22.17.4)		12						
	Claims management costs (22.18.4)		13						
	Adjustment for discounting (22.52.4)		14						
	Increase in provision for unexpired risks (22.19.4)		15						
	Other technical income or charges (particulars to be specified by way of supplementary note)		16						
	Net operating expenses (22.42.4)		17					0	
	Balance of year's underwriting (11-12-13+14-15+16-17)		19					(0)	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)		21						
	Claims incurred (22.13.4)		22				(1311)	(603)	
	Claims management costs (22.14.4)		23				21	(39)	
	Adjustment for discounting (22.51.4)		24				(770)	(966)	
	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				520	(325)	
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				520	(325)	
Allocated investment income			51						
Transfer to non-technical account (49+51)			59				520	(325)	

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 2015****Total business**

		Company registration number	GL/UK/CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2015	£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	148655	1256		138205		(9194)	
	Reinsurers' share	12	130864	451		122530		(7883)	
	Net (11-12)	13	17792	805		15675		(1311)	
	Claims management costs	14	172			193		21	
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	105364			96044		(9320)	
	Reinsurers' share	32	94447			85897		(8550)	
	Claims management costs	33							
	Total (31-32+33)	39	10917			10147		(770)	
Split of line 29	Prior financial years	41							
	This financial year	42							
Split of line 39	Incidents occurring prior to this financial year	51	10917			10147		(770)	
	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 2015****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2015	£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	148655		1256		138205	(9194)	
	Reinsurers' share	12	130864		451		122530	(7883)	
	Net (11-12)	13	17792		805		15675	(1311)	
	Claims management costs	14	172				193	21	
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	105364				96044	(9320)	
	Reinsurers' share	32	94447				85897	(8550)	
	Claims management costs	33							
	Total (31-32+33)	39	10917				10147	(770)	
Split of line 29	Prior financial years	41							
	This financial year	42							
Split of line 39	Incidents occurring prior to this financial year	51	10917				10147	(770)	
	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 2015

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	2015	£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		148655	1256			138205	(9194)
	Reinsurers' share	12		130864	451			122530	(7883)
	Net (11-12)	13		17792	805			15675	(1311)
	Claims management costs	14		172				193	21
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		105364				96044	(9320)
	Reinsurers' share	32		94447				85897	(8550)
	Claims management costs	33							
	Total (31-32+33)	39		10917				10147	(770)
Split of line 29	Prior financial years	41							
	This financial year	42							
Split of line 39	Incidents occurring prior to this financial year	51		10917				10147	(770)
	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 2015**

Total business

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	2015			£000	001
	12	2015	11																
	12	2014	12																
	12	2013	13																
	12	2012	14																
	12	2011	15																
	12	2010	16																
	12	2009	17																
	12	2008	18																
	12	2007	19																
	12	2006	20																
		Prior accident years	21			805	14897	778	16253	1538	(1311)	10147							
		Reconciliation	22																
		Total (11 to 22)	29			805	14897	778	16253	1538	(1311)	10147							

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 2015**

Total primary (direct) and facultative business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		GL	day month year			Units	Category number
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)		2258947	31	12		
											GL					
	12	2015	11													
	12	2014	12													
	12	2013	13													
	12	2012	14													
	12	2011	15													
	12	2010	16													
	12	2009	17													
	12	2008	18													
	12	2007	19													
	12	2006	20													
	Prior accident years		21			805	14897	778	16253	1538	10147					
	Reconciliation		22													
	Total (11 to 22)		29			805	14897	778	16253	1538	10147					

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 2015

Total primary (direct) and facultative personal lines motor business

Accident year ended	Company registration number										GL/UK/CM			day month year			Units	Category number		
	Month	Year	1	2	3	4	5	6	7	8	9	GL	31	12	2015	£000	120	120		
			Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward	Claims outstanding brought forward	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %			
12	2015	11	1	2	3	4	5	6	7	8	9	10	11	12	13					
12	2014	12																		
12	2013	13																		
12	2012	14																		
12	2011	15																		
12	2010	16																		
12	2009	17																		
12	2008	18																		
12	2007	19																		
12	2006	20																		
Prior accident years		21				805	14897	778	16253	1538	(1311)	10147								
Reconciliation		22																		
Total (11 to 22)		29				805	14897	778	16253	1538	(1311)	10147								

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 2015

Company registration number
2258947
GL/UK/CM
day month year
31 12 2015
Units
£000

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		Unwind in the discount in the next financial year	Rates of interest at which the provision is being discounted		
							Before deduction for discounting	Deduction for discounting		Highest	Lowest	Average rate
		1	2	3	4	5	6	7	8	9	10	11
	11	19540	19540	141	0.7	5721	14701	10147	144	4.0	4.0	4.0
	12											
	13											
	14											
	15											
	16											
	17											
	18											
	19											
	20											
Other currencies	21											
Total	29	19540	19540	5721		5721	14701	10147	144			

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 2015

Company registration number 2258947
GL/UK/CM
day month year 31 12 2015
Units £000

R30	Company registration number	GL/UK/CM	GL	Expected income from assets included in column 2		Yield %
				31	12	
	2258947		Admissible assets hypothecated to cover the provision for outstanding claims being discounted	2	3	4
	Value of admissible assets as shown on Form 13	1				
31						
32	Approved securities					
33	Other					
34	Approved securities					
35	Other					
36	Equity shares and holdings in collective investment schemes		19264	19264	141	0.7
37	Loans secured by mortgages					
38	Producing income					
39	Not producing income		275	275		
49	Total		19540	19540	141	0.7

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

Global business

Reporting Territory

United Kingdom other than home foreign

Financial year ended 31 December 2015

Private motor - comprehensive

Accident year ended	Company registration number		GL/UK/CM		day month year		Monetary units		Category number		Currency code		Reporting territory code	
	Month	Year	R32	2258947	GL	31	12	2015	000	121	GBP	AA		
Month	Year	Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)		Gross earned premiums	Claims ratio %	Vehicle years (000s)	Claims frequency %			
		Reported	Incurred but not reported	Reported	Incurred but not reported	9	10					11	12	13
12	2015	11												
12	2014	12												
12	2013	13												
12	2012	14												
12	2011	15												
12	2010	16												
12	2009	17												
12	2008	18												
12	2007	19												
12	2006	20												
Prior accident years		21		83331	17539	88365	22137	(9272)						
Total (11 to 21)		29		83331	17539	88365	22137	(9272)						
Line 29 expressed in sterling		30		83331	17539	88365	22137	(9272)						

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**

Global business

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

Financial year ended **31 December 2015**

Private motor - non-comprehensive

Accident year ended	Company registration number		GL/UK/CM		day month year		Monetary units	Category number	Currency code	Reporting territory code				
	R32	2258947	GL	31 12 2015	000	122					GBP	AA		
Month	Year	Gross claims outstanding brought forward		Gross claims carried forward	Gross claims paid		Number of claims	Gross claims outstanding	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %		
		In previous financial years	In this financial year		Reported	Incurring but not reported							Reported	Incurring but not reported
		1	2	3	4	5	6	7	8	9	10	11	12	13
12	2015	11												
12	2014	12												
12	2013	13												
12	2012	14												
12	2011	15												
12	2010	16												
12	2009	17												
12	2008	18												
12	2007	19												
12	2006	20												
Prior accident years		21	9	896	896	28834	8501	29875	8278	78				
Total (11 to 21)		29	9	896	896	28834	8501	29875	8278	78				
Line 29 expressed in sterling		30		896	896	28834	8501	29875	8278	78				

Statement in accordance with the ReturnName of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2015***0101* Modification to the Return

This return has been prepared in accordance with the Accounts and Statements Rules.

0301 - Reconciliation of Net Admissible Assets to Available Capital Resources

	2015	2014
	£'000	£'000
Form 13 line 89	56,174	82,375
Form 15 line 69	(42,614)	(45,362)
	<hr/> 13,560	<hr/> 37,013
Total capital resources after deductions (Form 3 line 79)	13,560	37,013

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

	2015
	£'000
Form 3 col 3 line 12 (Reserves c/f)	13,574
Form 3 col 4 line 12 (Reserves b/f)	(37,012)
Movement in Reserves	(23,438)
Dividend Paid during the year	24,000
Movement in AFS Reserves	20
	<hr/> 582
Form 16 Line 59 - Profit For The Financial Year	<hr/> <hr/> 582

0314 - Request for agreement on treatment of Periodical Payment Order liabilities (PPOs) in PRA returns

Churchill Insurance Limited have Periodical Payment Order (PPO) liabilities which are awards made under the terms of the Court 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 being held in anticipation of an obligation to pay out future annuities once an order is made by the Courts. The PPO liabilities have been treated as annuities in the PRA return, and therefore no deductions from tier one capital for 'Amounts deducted from technical provisions for discounting' have been entered on row 34 of Form 3.

1104 Discounting

Provisions for claims outstanding at Form 11 line 51 are shown net of discounting for Periodical Payment Order (PPO) liabilities which are awards made under 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 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.

Statement in accordance with the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2015**

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 no exposure to large counterparties at the year end.

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

1601 - Basis of Conversion

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

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

Statement in accordance with the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2015**

20Ae – Facultative Business

There is no facultative reinsurance business included.

20Ai – Authorisation Classes

During the year the company wrote no new policies of Insurance in the following classes for which it is authorised to transact business:

121	Private motor – Comprehensive
122	Private motor – Non-comprehensive
160	Household and domestic all risks
181	Assistance
184	Legal expenses
114	Personal Accident or Sickness
187	Other personal financial loss
350	Goods in Transit

Classes **highlighted in bold** migrated to U K Insurance Limited as part of a Part VII Transfer on 10th December 2011.

The remaining classes which are not in bold, Churchill Insurance have the authority to write business but have never done so.

2007 – Particulars of Material Connected Party Transactions

The Company has a group reinsurance arrangement with U K Insurance Ltd, which is a subsidiary of Direct Line Group. As at 31 December 2015 the balance was £13m (2014: £14m).

2100 – Premiums or Unearned Premiums

No Form 21 has been presented as the Company did not have any premium or unearned premium during the year.

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.

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 2015.

Statement in accordance with the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2015**

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)

Private Motor - Non Comprehensive (122)

The expected yield used in Form 30 is the annualised interest received on a non-compounding basis, divided by the current FV 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. Undiscounted cash flows are derived from the expected terms of the settlements, the assumed life expectancies, allowance for future inflation and are adjusted for the inflation agreed in the settlements. The effect of discounting is calculated as the difference between undiscounted value of these cash flows and the present value at the time of settlement or valuation date (whichever is later) of these cash flows arising using a discount rate of interest.

The rate of interest used in the discounting calculations is 4.0%.

For settled claims that are discounted, the average assumed remaining life expectancy at the end of the financial year is 44 years.

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

Supplementary Notes to the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2015**

Summary of major treaty reinsurers as required by Rule 9.25 (Chapter 9 'Financial Reporting - Accounts and Statements') of the Interim Prudential Sourcebook for Insurers

Name and address	Connected	Reinsurance premiums (refunds) £'000	Debtor balance (Form 13.75) £'000	Deposit received (Form 15.31) £'000	Reinsurers' share of outstanding claims (Form 13.61) £'000
U K Insurance Ltd The Wharf Neville Street Leeds LS14AZ	Churchill Insurance Company Ltd is a wholly owned subsidiary of U K Insurance Ltd				13,044
AXA Liabilities Managers Switzerland AG Paulstrasse 9 Postfach 357 CH-8400 Winterthur Switzerland	None		273		23,590

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

The company has no major facultative reinsurers

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

The Company has no major cedants

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

The Company has no financial reinsurance agreements or similar financing arrangements in place.

All major UK reinsurance arrangements are controlled centrally within Direct Line Insurance Services Limited, a fellow group subsidiary, and the procurement process is subject to strict governance and sign off procedures that are dependent on the amount of the individual reinsurance purchase. The reinsurance purchase process is also subject to regular internal and external audits.

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

The Company has no financial reinsurance agreements or similar financing arrangements in place.

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 2015**

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 Investment Committee and the Asset and Liability Committee (ALCO) and other appropriate individuals,

It is expressly forbidden to use derivatives for gearing purposes,

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 did not hold any exercisable derivatives.

c) There are no derivative contracts outstanding at 31 December 2015.

d) There were no provisions made against derivatives at any time during the year and only permitted derivative contracts were used.

e) No derivatives were sold during the year.

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 2015**

The following persons have been shareholder controllers of the Company during the year ended 31 December 2015;

- | | |
|---|------|
| 1) U K Insurance Limited | |
| Percentage of shares in the Company held: | 100% |
| Percentage of votes in the Company held: | 100% |
| 2) Direct Line Insurance Group Plc (DLIG) | |
| Percentage of shares in UKI held: | 100% |
| Percentage of votes in UKI held: | 100% |

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2015**

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

We certify that:

1 (a) the return, comprising Forms 1, 3, 11, 12, 13, 15, 16, 20A, 20, 22, 23, 30 and 32 (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 (b) we are satisfied that:

- (i) throughout the financial year in question, the insurer has complied in all material respects with the requirements of the Fundamental Rules, SYSC and as well as the provisions of IPRU(INS), GENPRU and INSPRU.

The certificate required by IPRU(INS) Appendix 9.6 paragraph 1(1)(b)(ii) in respect of compliance since the end of the financial year in question with the requirements in SYSC, Fundamental Rules and the provisions of IPRU(INS), GENPRU and INSPRU and ongoing compliance has not been provided. This is because these requirements have been replaced as from 1 January 2016, the commencement date of Solvency II, so the firm is subject to a new regulatory regime.

Director

Director

Company secretary

²⁴
27 March 2016

REGULATORY REPORT: GENERAL INSURER

Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2015

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 Prudential Regulation Authority under section 137G of the Financial Services and Markets Act 2000:

- Forms **1, 3, 11, 12, 13, 15, 16, 20A, 20, 22, 23, 30 and 32**, (including the supplementary notes) on pages 1 to 31 ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 and 9.29 on pages 32 and 33 ("the Statements").

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

- the statements required by IPRU(INS) rules 9.30, 9.32 and 9.32A on pages 32 and 34; and
- the certificate required by IPRU(INS) rule 9.34(1) on page 35.

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 PRA for the use of the PRA solely for the purposes set down by statute and the PRA'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 auditor's report on an annual PRA 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 PRA, 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. Under IPRU(INS) rule 9.11 the Forms and the Statements are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms and the Statements meet these requirements, and to report our opinion to you. We 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 judgments 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.

Opinion

In our opinion the Forms and the Statements fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
24 March 2016