

# **Churchill Insurance Company Limited**

**Annual FSA Insurance Returns for the year ended**

**31 December 2009**

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

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

Global business

Financial year ended **31 December 2009**

Solo solvency calculation

R1	Company registration number	GL/UK/CM	day month year			Units
			31	12	2009	
	<b>2258947</b>	<b>GL</b>				<b>£000</b>
			<b>As at end of this financial year</b>			<b>As at end of the previous year</b>
			<b>1</b>			<b>2</b>

**Capital resources**

Capital resources arising outside the long-term insurance fund	<b>11</b>	704147	697686
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>		
Capital resources available to cover general insurance business capital resources requirement (11-12)	<b>13</b>	704147	697686

**Guarantee fund**

Guarantee fund requirement	<b>21</b>	56737	56737
Excess (deficiency) of available capital resources to cover guarantee fund requirement	<b>22</b>	647410	640950

**Minimum capital requirement (MCR)**

General insurance capital requirement	<b>31</b>	170211	170211
Base capital resources requirement	<b>33</b>	3128	2518
Individual minimum capital requirement	<b>34</b>	170211	170211
Capital requirements of regulated related undertakings	<b>35</b>		
Minimum capital requirement (34+35)	<b>36</b>	170211	170211
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>37</b>	619042	612581
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>38</b>	576489	570029

**Capital resources requirement (CRR)**

Capital resources requirement	<b>41</b>	170211	170211
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	<b>42</b>	533936	527475

**Contingent liabilities**

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

**Form 1**

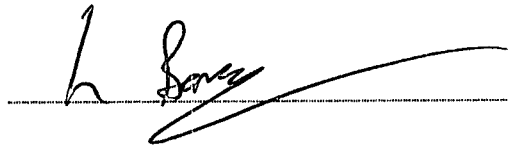
Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**



Director



Director



Director

Date **18 MARCH 2010**

**Components of capital resources**Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

	Company registration number	GL/UK/CM	day month year			Units
<b>R3</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>
		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	
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	

**Core tier one capital**

Permanent share capital	<b>11</b>	509000		509000	509000
Profit and loss account and other reserves	<b>12</b>	311522		311522	273857
Share premium account	<b>13</b>				
Positive valuation differences	<b>14</b>				
Fund for future appropriations	<b>15</b>				
Core tier one capital in related undertakings	<b>16</b>				
Core tier one capital (sum of 11 to 16)	<b>19</b>	820522		820522	782857

**Tier one waivers**

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	<b>21</b>				
Implicit Items	<b>22</b>				
Tier one waivers in related undertakings	<b>23</b>				
Total tier one waivers as restricted (21+22+23)	<b>24</b>				

**Other tier one capital**

Perpetual non-cumulative preference shares as restricted	<b>25</b>				
Perpetual non-cumulative preference shares in related undertakings	<b>26</b>				
Innovative tier one capital as restricted	<b>27</b>				
Innovative tier one capital in related undertakings	<b>28</b>				

<b>Total tier one capital before deductions (19+24+25+26+27+28)</b>	<b>31</b>	820522		820522	782857
Investments in own shares	<b>32</b>				
Intangible assets	<b>33</b>				
Amounts deducted from technical provisions for discounting	<b>34</b>				
Other negative valuation differences	<b>35</b>	84601		84601	83056
Deductions in related undertakings	<b>36</b>				
Deductions from tier one (32 to 36)	<b>37</b>	84601		84601	83056
<b>Total tier one capital after deductions (31-37)</b>	<b>39</b>	735921		735921	699802

**Components of capital resources**Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

R3	Company registration number	GL/UK/CM	day month year			Units
			31	12	2009	
	2258947	GL				£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				
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>				

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

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

**Components of capital resources**Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

	Company registration number	GL/UK/CM	day month year			Units
<b>R3</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>
		General insurance business <b>1</b>	Long-term insurance business <b>2</b>	Total as at the end of this financial year <b>3</b>	Total as at the end of the previous year <b>4</b>	

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	<b>71</b>				
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>	735921		735921	699802
Inadmissible assets other than intangibles and own shares	<b>73</b>	30		30	63
Assets in excess of market risk and counterparty limits	<b>74</b>	31744		31744	2051
Deductions for related ancillary services undertakings	<b>75</b>				
Deductions for regulated non-insurance related undertakings	<b>76</b>				
Deductions of ineligible surplus capital	<b>77</b>				
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>	704147		704147	697687

**Available capital resources for GENPRU/INSRU tests**

Available capital resources for guarantee fund requirement	<b>81</b>	704147		704147	697687
Available capital resources for 50% MCR requirement	<b>82</b>	704147		704147	697687
Available capital resources for 75% MCR requirement	<b>83</b>	704147		704147	697687

**Financial engineering adjustments**

Implicit items	<b>91</b>				
Financial reinsurance - ceded	<b>92</b>				
Financial reinsurance - accepted	<b>93</b>				
Outstanding contingent loans	<b>94</b>				
Any other charges on future profits	<b>95</b>				
<b>Sum of financial engineering adjustments (91+92-93+94+95)</b>	<b>96</b>				

**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 2009**

General insurance business

R11	Company registration number	GL/UK/CM	day month year			Units
	2258947	GL	31	12	2009	£000
			This financial year 1		Previous year 2	
Gross premiums written	11		1117720		1122697	
Premiums taxes and levies (included in line 11)	12					
Premiums written net of taxes and levies (11-12)	13		1117720		1122697	
Premiums for classes 11, 12 or 13 (included in line 13)	14					
Premiums for "actuarial health insurance" (included in line 13)	15					
<b>Sub-total A (13 + 1/2 14 - 2/3 15)</b>	<b>16</b>		1117720		1122697	
Gross premiums earned	21		1115941		1115405	
Premium taxes and levies (included in line 21)	22					
Premiums earned net of taxes and levies (21-22)	23		1115941		1115405	
Premiums for classes 11, 12 or 13 (included in line 23)	24					
Premiums for "actuarial health insurance" (included in line 23)	25					
<b>Sub-total H (23 + 1/2 24 - 2/3 25)</b>	<b>26</b>		1115941		1115405	
<b>Sub-total I (higher of sub-total A and sub-total H)</b>	<b>30</b>		1117720		1122697	
<b>Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure</b>	<b>31</b>					
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18	32	201190		202085	
	Excess (if any) over 57.5M EURO x 0.02	33	21327		21618	
<b>Sub-total J (32-33)</b>	<b>34</b>		179863		180467	
Claims paid in period of 3 financial years	41		2344614		2319465	
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	1020653		903220	
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	1014419		995703	
<b>Sub-total C (41+42+43-44-45)</b>	<b>46</b>		2350848		2226982	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C	47		172990		303409	
<b>Sub-total D (46-47)</b>	<b>48</b>		2177858		1923573	
<b>Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)</b>	<b>49</b>		0.93		0.86	
<b>Premiums amount (Sub-total J x reinsurance ratio)</b>	<b>50</b>		166628		155880	
Provision for claims outstanding (before discounting and net of reinsurance)	51		939440		861294	
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero	52					
<b>Brought forward amount (See instruction 4)</b>	<b>53</b>		170211		170211	
<b>Greater of lines 50 and 53</b>	<b>54</b>		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 2009**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		<b>R12</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R				<b>11</b>	<b>36</b>			<b>36</b>
Claims paid in reference period				<b>21</b>	<b>2344614</b>			<b>2319465</b>
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis			<b>22</b>				
	For insurance business accounted for on an accident year basis			<b>23</b>	<b>1020653</b>			<b>903220</b>
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis			<b>24</b>				
	For insurance business accounted for on an accident year basis			<b>25</b>	<b>1014419</b>			<b>995703</b>
Claims incurred in reference period (21+22+23-24-25)				<b>26</b>	<b>2350848</b>			<b>2226982</b>
Claims incurred for classes 11, 12 or 13 (included in 26)				<b>27</b>				
Claims incurred for "actuarial health insurance" (included in 26)				<b>28</b>				
<b>Sub-total E (26 +1/2 27 - 2/3 28)</b>				<b>29</b>	<b>2350848</b>			<b>2226982</b>
<b>Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)</b>				<b>31</b>	<b>783616</b>			<b>742327</b>
Division of sub-total F (gross adjusted claims amount)	x 0.26			<b>32</b>	<b>203740</b>			<b>193005</b>
	Excess (if any) over 40.3M EURO x 0.03			<b>33</b>	<b>22428</b>			<b>21392</b>
<b>Sub-total G (32-33)</b>				<b>39</b>	<b>181312</b>			<b>171613</b>
<b>Claims amount Sub-total G x reinsurance ratio (11.49)</b>				<b>41</b>	<b>167970</b>			<b>148232</b>
Higher of premiums amount and brought forward amount (11.54)				<b>42</b>	<b>170211</b>			<b>170211</b>
<b>General insurance capital requirement (higher of lines 41 and 42)</b>				<b>43</b>	<b>170211</b>			<b>170211</b>

**Analysis of admissible assets**Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**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	2009	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11		1205	1325	

**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	44569	34803
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	699730	160796
	Other	46	509313	503737
Variable interest securities	Approved	47		
	Other	48	420065	415337
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	25049	222051
	More than one month withdrawal	55	237910	526320
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 2009**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	2009	£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	21163	21592
Claims outstanding	61	53590	41925
Provision for unexpired risks	62		
Other	63		

**Debtors and salvage**

Direct insurance business	Policyholders	71	268456	270346
	Intermediaries	72	85879	91980
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	10718	8917
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		11
Deposits not subject to time restriction on withdrawal with approved institutions	81	5813	5383
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83	23318	
Accrued interest and rent	84	1374	9114
Deferred acquisition costs (general business only)	85	92729	98588
Other prepayments and accrued income	86	14041	13863

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	2514923	2426088
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**Analysis of admissible assets**Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**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	2009	£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	2514923	2426088
Admissible assets in excess of market and counterparty limits	92	31744	2051
Inadmissible assets directly held	93	30	63
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	2546697	2428203

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 2009**

	Company registration number	GL/UK/CM	day month year			Units
<b>R15</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>
			As at end of this financial year			As at end of the previous year
			<b>1</b>			<b>2</b>

**Technical provisions (gross amount)**

Provisions for unearned premiums	<b>11</b>	554905	553127
Claims outstanding	<b>12</b>	993030	903219
Provision for unexpired risks	<b>13</b>		
Equalisation provisions	Credit business	<b>14</b>	
	Other than credit business	<b>15</b>	84601 83056
Other technical provisions	<b>16</b>		
Total gross technical provisions (11 to 16)	<b>19</b>	1632536	1539402

**Provisions and creditors**

Provisions	Taxation	<b>21</b>	23533	23049
	Other risks and charges	<b>22</b>	17541	15146
Deposits received from reinsurers	<b>31</b>			
Creditors	Direct insurance business	<b>41</b>	128	120
	Reinsurance accepted	<b>42</b>		
	Reinsurance ceded	<b>43</b>	25278	24652
Debenture loans	Secured	<b>44</b>		
	Unsecured	<b>45</b>		
Amounts owed to credit institutions	<b>46</b>	3288	2047	
Creditors	Taxation	<b>47</b>		4896
	Foreseeable dividend	<b>48</b>		
	Other	<b>49</b>	65597	73317
Accruals and deferred income	<b>51</b>	42874	45773	
Total (19 to 51)	<b>59</b>	1810776	1728401	
Provision for "reasonably foreseeable adverse variations"	<b>61</b>			
Cumulative preference share capital	<b>62</b>			
Subordinated loan capital	<b>63</b>			
Total (59 to 63)	<b>69</b>	1810776	1728401	

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	<b>71</b>		
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Amounts deducted from technical provisions for discounting	<b>82</b>		
Other adjustments (may be negative)	<b>83</b>	(84601)	(83056)
Capital and reserves	<b>84</b>	820522	782857
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)	<b>85</b>	2546697	2428203

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

Global business

Financial year ended **31 December 2009**Company  
registration  
numberGL/  
UK/  
CM

day month year

Units

R16		2258947	GL	31	12	2009	£000
				This financial year			Previous year
				1			2
Transfer (to)/from the general insurance business technical account	From Form 20		11	(70306)			46425
	Equalisation provisions		12	(1545)			(7287)
Transfer from the long term insurance business revenue account			13				
Investment income	Income		14	105531			141561
	Value re-adjustments on investments		15	9024			
	Gains on the realisation of investments		16	4289			1492
Investment charges	Investment management charges, including interest		17				68
	Value re-adjustments on investments		18				11864
	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	295			495
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29	47287			170754
Tax on profit or loss on ordinary activities			31	10856			55336
Profit or loss on ordinary activities after tax (29-31)			39	36431			115418
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	36431			115418
Dividends (paid or foreseeable)			51				50000
Profit or loss retained for the financial year (49-51)			59	36431			65418

## General insurance business : Summary of business carried on

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

Category number	FSA return general insurance business reporting category	R20A	Company registration number 2258947	GL/ UK/ CM GL	day month year			units £000
					31	12	2009	
					Reported 2	Incurred but not reported 3		Provision for gross unearned premium at the end of this financial year 4
1	Total business	1	1117720	728351		275340		554905
2	Total primary (direct) and facultative business	2	1117720	721208		253264		554905
3	Total treaty reinsurance accepted business	3		7143		22076		

110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4	1976	236		498		799
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	601299	596590		192730		289377
160	Primary (direct) and facultative household and domestic all risks	6	479470	110775		50030		229412
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	34975	13607		10006		35316
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		7143		22076		
	Total (lines 4 to 18)	20	1117720	728351		275340		554905

## General insurance business : Summary of business carried on

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2009

		Company registration number	GL/UK/CM	day month year			units	
		R20A	2258947	GL	31	12	2009	£000
Category number	FSA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year			
			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	1976	236	498	799
114	Personal accident or sickness	24				
121	Private motor - comprehensive	25	537846	487087	144901	258840
122	Private motor - non-comprehensive	26	63454	109034	47329	30537
123	Motor cycle	27		468	500	
160	Household and domestic all risks (equals line 6)	28	479470	110775	50030	229412
181	Assistance	29	(18887)	450	317	8620
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32	51579	13031	9477	25632
185	Mortgage indemnity	33				
186	Pet insurance	34	2283	126	212	1064
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 2009**

		Company registration number	GL/UK/CM	day month year			units	
		R20A	2258947	GL	31	12	2009	£000
Category number	FSA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year			
			Reported	Incurred but not reported				
		1	2	3	4			
<b>Primary (direct) and facultative marine and transport</b>								
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						
<b>Primary (direct) and facultative miscellaneous</b>								
400	Miscellaneous primary (direct) and facultative business (equals line 15)	72						
<b>Non-proportional treaty</b>								
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						
<b>Proportional treaty</b>								
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						
<b>Treaty Reinsurance Miscellaneous</b>								
700	Miscellaneous treaty reinsurance accepted business (equals line 18)	101		7143		22076		
<b>Total (lines 21 to 101)</b>		<b>111</b>	<b>1117720</b>	<b>728351</b>		<b>275340</b>		<b>554905</b>

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

Global business

Financial year ended **31 December 2009****Total business**

	Company registration number	GL/UK/CM	day	month	year	Units	Category number	
	<b>R20</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>001</b>
<b>Items to be shown net of reinsurance</b>			<b>This financial year</b>			<b>Previous year</b>		
			<b>1</b>			<b>2</b>		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11				1083360	1076475	
	Claims incurred (22.17.4)	12				805005	675197	
	Claims management costs (22.18.4)	13				29360	26505	
	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				326733	336545	
	Balance of year's underwriting (11-12-13+14-15+16-17)	19				(77737)	38228	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21						
	Claims incurred (22.13.4)	22				(18316)	(28601)	
	Claims management costs (22.14.4)	23				14086	20404	
	Adjustment for discounting (22.51.4)	24				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				7431	8197	
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				(70306)	46425	
Allocated investment income		51						
Transfer to non-technical account (49+51)		59				(70306)	46425	

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

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative business**

	Company registration number	GL/UK/CM	day	month	year	Units	Category number	
	<b>R20</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>002</b>
<b>Items to be shown net of reinsurance</b>			<b>This financial year</b>			<b>Previous year</b>		
			<b>1</b>			<b>2</b>		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	1083360			1076475		
	Claims incurred (22.17.4)	12	805005			675197		
	Claims management costs (22.18.4)	13	29360			26505		
	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	326733			336545		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(77737)			38228		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21						
	Claims incurred (22.13.4)	22	(17243)			(32132)		
	Claims management costs (22.14.4)	23	13949			20192		
	Adjustment for discounting (22.51.4)	24	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	6496			11939		
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	(71242)			50167		
Allocated investment income		51						
Transfer to non-technical account (49+51)		59	(71242)			50167		

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

Global business

Financial year ended **31 December 2009****Total treaty reinsurance accepted business**

	Company registration number	GL/UK/CM	day	month	year	Units	Category number	
	<b>R20</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>003</b>
<b>Items to be shown net of reinsurance</b>			<b>This financial year</b>			<b>Previous year</b>		
			<b>1</b>			<b>2</b>		
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				(1073)	3531	
	Claims management costs (22.14.4)	23				138	211	
	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				936	(3742)	
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				936	(3742)	
Allocated investment income		51						
Transfer to non-technical account (49+51)		59				936	(3742)	

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

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative personal lines motor business**

	Company registration number	GL/UK/CM	day	month	year	Units	Category number	
	<b>R20</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>120</b>
<b>Items to be shown net of reinsurance</b>			<b>This financial year</b>			<b>Previous year</b>		
			<b>1</b>			<b>2</b>		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11			585051	548461		
	Claims incurred (22.17.4)	12			561223	440138		
	Claims management costs (22.18.4)	13			20391	18487		
	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			114917	121803		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19			(111479)	(31968)		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21						
	Claims incurred (22.13.4)	22			27346	(13405)		
	Claims management costs (22.14.4)	23			7747	10900		
	Adjustment for discounting (22.51.4)	24			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			(31892)	2505			
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			(143371)	(29463)			
Allocated investment income	51							
Transfer to non-technical account (49+51)	59			(143371)	(29463)			

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

Global business

Financial year ended **31 December 2009****Primary (direct) and facultative household and domestic all risks**

	Company registration number	GL/UK/CM	day	month	year	Units	Category number	
	<b>R20</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>160</b>
<b>Items to be shown net of reinsurance</b>			<b>This financial year</b>			<b>Previous year</b>		
			<b>1</b>			<b>2</b>		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11				459353	449419	
	Claims incurred (22.17.4)	12				229739	221596	
	Claims management costs (22.18.4)	13				8565	7505	
	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				189228	187035	
	Balance of year's underwriting (11-12-13+14-15+16-17)	19				31821	33284	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21						
	Claims incurred (22.13.4)	22				(32837)	(31067)	
	Claims management costs (22.14.4)	23				6495	8993	
	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				26342	22074	
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				58163	55358	
Allocated investment income		51						
Transfer to non-technical account (49+51)		59				58163	55358	

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

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative personal lines financial loss business**

	Company registration number	GL/UK/CM	day	month	year	Units	Category number	
	<b>R20</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>180</b>
<b>Items to be shown net of reinsurance</b>			<b>This financial year</b>			<b>Previous year</b>		
			<b>1</b>			<b>2</b>		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11				37085		76796
	Claims incurred (22.17.4)	12				12704		12537
	Claims management costs (22.18.4)	13				364		477
	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				21890		27134
	Balance of year's underwriting (11-12-13+14-15+16-17)	19				2128		36648
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21						
	Claims incurred (22.13.4)	22				(11511)		12146
	Claims management costs (22.14.4)	23				(311)		294
	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				11822		(12440)
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				13950		24208
Allocated investment income		51						
Transfer to non-technical account (49+51)		59				13950		24208

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

Global business

Financial year ended **31 December 2009****Balance of all primary (direct) and facultative business**

	Company registration number	GL/UK/CM	day	month	year	Units	Category number	
	<b>R20</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>409</b>
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	1871				1800	
	Claims incurred (22.17.4)	12	1338				926	
	Claims management costs (22.18.4)	13	41				37	
	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	698				573	
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(207)				264	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21						
	Claims incurred (22.13.4)	22	(241)				194	
	Claims management costs (22.14.4)	23	18				6	
	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	223				(200)	
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	16				64	
Allocated investment income		51						
Transfer to non-technical account (49+51)		59	16				64	



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

Global business

Financial year ended **31 December 2009****Balance of all treaty reinsurance accepted business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>709</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			<b>1</b>				<b>2</b>		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	<b>11</b>							
	Claims incurred (22.17.4)	<b>12</b>							
	Claims management costs (22.18.4)	<b>13</b>							
	Adjustment for discounting (22.52.4)	<b>14</b>							
	Increase in provision for unexpired risks (22.19.4)	<b>15</b>							
	Other technical income or charges (particulars to be specified by way of supplementary note)	<b>16</b>							
	Net operating expenses (22.42.4)	<b>17</b>							
	Balance of year's underwriting (11-12-13+14-15+16-17)	<b>19</b>							
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	<b>21</b>							
	Claims incurred (22.13.4)	<b>22</b>				(1073)	3531		
	Claims management costs (22.14.4)	<b>23</b>				138	211		
	Adjustment for discounting (22.51.4)	<b>24</b>							
	Other technical income or charges (particulars to be specified by way of supplementary note)	<b>25</b>							
	Net operating expenses (22.41.4)	<b>26</b>							
	Balance (21-22-23+24+25-26)	<b>29</b>				936	(3742)		
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	<b>31</b>							
	Other technical income or charges (particulars to be specified by way of supplementary note)	<b>32</b>							
	Total	<b>39</b>							
Balance of all years' underwriting (19+29+39)			<b>49</b>			936	(3742)		
Allocated investment income			<b>51</b>						
Transfer to non-technical account (49+51)			<b>59</b>			936	(3742)		

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

**Total business**

	R21	Company registration number	GL/UK/CM	day month year			Units	Category number
				31	12	2009		
		2258947	GL	Reinsurers' share			£000	001
		Gross premiums written	Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Net of reinsurance	
			1	3	5	5		
<b>Premiums receivable during the financial year</b>								
In respect of risks incepted in previous financial years	<b>11</b>							
		Earned in this financial year	1	Earned in this financial year	Earned in this financial year	Earned in this financial year	Unearned at end of this financial year	
			451					
In respect of risks incepted in previous financial years	<b>12</b>							
		Unearned at end of this financial year	2	Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year	
			22					
In respect of risks incepted in this financial year	<b>13</b>							
For periods of less than 12 months								22
For periods of 12 months	<b>14</b>							
			562365	10988	21163	551377		533720
For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	<b>16</b>							
			553127	21592		531535		
Total (12 to 16)	<b>19</b>							
			1115942	32582	21163	1083360		533742

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

**Total primary (direct) and facultative business**

	R21	Company registration number	GL/UK/CM	day month year			Units	Category number
				31	12	2009		
		2258947	GL				£000	002
		Gross premiums written		Reinsurers' share			Net of reinsurance	
		Eamed in previous financial years	Eamed in previous financial years	Eamed in previous financial years	Eamed in previous financial years	Eamed in previous financial years	Eamed in previous financial years	Eamed in previous financial years
		1	3	3	5	5	5	5
<b>Premiums receivable during the financial year</b>								
In respect of risks incepted in previous financial years	<b>11</b>							
		Eamed In this financial year	Eamed In this financial year	Unearned at end of this financial year	Unearned at end of this financial year	Eamed In this financial year	Unearned at end of this financial year	
		1	3	2	4	5	6	
In respect of risks incepted in previous financial years	<b>12</b>							
In respect of risks incepted in this financial year								
For periods of less than 12 months	<b>13</b>	451	2	22		448	22	
For periods of 12 months	<b>14</b>	562365	10988	554883	21163	551377	533720	
For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	<b>16</b>	553127	21592			531535		
Total (12 to 16)	<b>19</b>	1115942	32582	554905	21163	1083360	533742	

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

**Name of insurer** Churchill Insurance Company Limited

**Global business**

**Financial year ended** 31 December 2009

**Total treaty reinsurance accepted business**

	Company registration number	GL/UK/CM	day month year			Units	Category number
			31	12	2009		
<b>R21</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>003</b>
	Gross premiums written		Reinsurers' share			Net of reinsurance	
	Eamed in previous financial years 1	Eamed in previous financial years 3				Eamed in previous financial years 5	
<b>Premiums receivable during the financial year</b>							
In respect of risks incepted in previous financial years	11						
	Eamed In this financial year 1	Unearned at end of this financial year 2	Eamed In this financial year 3	Unearned at end of this financial year 4	Eamed In this financial year 5	Unearned at end of this financial year 6	
In respect of risks incepted in previous financial years	<b>12</b>						
For periods of less than 12 months	<b>13</b>						
For periods of 12 months	<b>14</b>						
For periods of more than 12 months	<b>15</b>						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	<b>16</b>						
Total (12 to 16)	<b>19</b>						

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

**Total primary (direct) and facultative personal lines motor business**

	Company registration number	GL/UK/CM	day month year			Units	Category number
			31	12	2009		
<b>R21</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>120</b>
	Gross premiums written	Reinsurers' share	Eamed in previous financial years		Net of reinsurance		
	1	3	5		5		
<b>11</b>	Eamed in this financial year	Eamed in this financial year	Unearned at end of this financial year		Eamed in this financial year	Unearned at end of this financial year	
	1	3	4		5	6	
<b>12</b>	In respect of risks incepted in previous financial years						
<b>13</b>	In respect of risks incepted in this financial year						
	For periods of less than 12 months						
<b>14</b>	For periods of 12 months	289377	4150		307560	285227	
<b>15</b>	For periods of more than 12 months						
<b>16</b>	Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		2216		277491		
<b>19</b>	Total (12 to 16)	289377	6578		585051	285227	

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

**Primary (direct) and facultative household and domestic all risks**

	Company registration number	GL/UK/CM	day month year			Units	Category number
			31	12	2009		
<b>R21</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>160</b>
	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			Earned in previous financial years 5	
<b>11</b>	Earned in this financial year 1	Earned in this financial year 3	Unearned at end of this financial year 4			Unearned at end of this financial year 6	
<b>12</b>	Unearned at end of this financial year 2		Unearned at end of this financial year 4			Unearned at end of this financial year 6	
<b>13</b>	For periods of less than 12 months						
<b>14</b>	For periods of 12 months		17012			243441	
<b>15</b>	For periods of more than 12 months						
<b>16</b>	235288		19376			215912	
<b>19</b>	485346		229412			459353	
<b>Total (12 to 16)</b>			17012			212400	

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

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

	Company registration number	GL/UK/CM	day month year			Units	Category number
			31	12	2009		
<b>R21</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>180</b>
	Gross premiums written	Earned in previous financial years	Reinsurers' share			Earned in previous financial years	Net of reinsurance
	1	3	5			5	
<b>11</b>							
In respect of risks incepted in previous financial years	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	
<b>12</b>							
In respect of risks incepted in previous financial years							
For periods of less than 12 months							
For periods of 12 months	(341)	35316	2		(343)		35316
For periods of more than 12 months							
<b>16</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	37428					37428	
<b>19</b>							
Total (12 to 16)	37087	35316	2		37085		35316

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

**Balance of all primary (direct) and facultative business**

	Company registration number	GL/UK/CM	day month year			Units	Category number
			31	12	2009		
<b>R21</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>409</b>
	Gross premiums written	Reinsurers' share	Eamed in previous financial years		Net of reinsurance		
	1	3	5		5		
<b>11</b>							
In respect of risks incepted in previous financial years	Eamed in this financial year	Eamed in this financial year	Unearned at end of this financial year		Eamed in this financial year	Unearned at end of this financial year	
	1	3	4		5	6	
<b>12</b>							
In respect of risks incepted in previous financial years							
In respect of risks incepted in this financial year	For periods of less than 12 months	22			448	22	
	For periods of 12 months	778			719	778	
	For periods of more than 12 months						
<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year						704	
<b>16</b>							
<b>19</b>							
Total (12 to 16)	1880	799	10		1871	799	799



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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

**Balance of all treaty reinsurance accepted business**

	R21	Company registration number	GL/UK/CM	day month year			Units	Category number
				31	12	2009		
		2258947	GL	Reinsurers' share			£000	709
		Gross premiums written	Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Net of reinsurance	
			1	3	5	5		
<b>Premiums receivable during the financial year</b>								
In respect of risks incepted in previous financial years	<b>11</b>							
			Earned in this financial year	Earned in this financial year	Earned in this financial year	Earned in this financial year	Earned in this financial year	Unearned at end of this financial year
			1	3	5	5	6	
In respect of risks incepted in previous financial years	<b>12</b>							
In respect of risks incepted in this financial year								
For periods of less than 12 months	<b>13</b>							
For periods of 12 months	<b>14</b>							
For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	<b>16</b>							
Total (12 to 16)	<b>19</b>							

## 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 2009****Total business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R22</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>001</b>
				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	<b>11</b>	883518		336881		567078	20441	
	Reinsurers' share	<b>12</b>	41926		7736		72947	38757	
	Net (11-12)	<b>13</b>	841592		329144		494132	(18316)	
	Claims management costs	<b>14</b>	19702		22274		11514	14086	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>			373458		436613	810071	
	Reinsurers' share	<b>16</b>					5066	5066	
	Net (15-16)	<b>17</b>			373458		431546	805005	
	Claims management costs	<b>18</b>			23912		5448	29360	
Provision for unexpired risks		<b>19</b>							
Net operating expenses	Commissions	<b>21</b>	65740		151387		63144	153983	
	Other acquisition expenses	<b>22</b>	32848		64146		29585	67409	
	Administrative expenses	<b>23</b>			105340			105340	
	Reinsurance commissions and profit participations	<b>24</b>							
	Total (21+22+23-24)	<b>29</b>	98588		320874		92729	326733	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>					27624	27624	
	Reinsurers' share	<b>32</b>					24423	24423	
	Claims management costs	<b>33</b>							
	Total (31-32+33)	<b>39</b>					3202	3202	
Split of line 29	Prior financial years	<b>41</b>							
	This financial year	<b>42</b>	98588		320874		92729	326733	
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>					3202	3202	
	Incidents occurring in this financial year	<b>52</b>							

## 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 2009****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R22</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>002</b>
				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	<b>11</b>	849123		332779		537859	21515	
	Reinsurers' share	<b>12</b>	41926		7736		72947	38757	
	Net (11-12)	<b>13</b>	807198		325042		464912	(17243)	
	Claims management costs	<b>14</b>	19041		22012		10978	13949	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>			373458		436613	810071	
	Reinsurers' share	<b>16</b>					5066	5066	
	Net (15-16)	<b>17</b>			373458		431546	805005	
	Claims management costs	<b>18</b>			23912		5448	29360	
Provision for unexpired risks		<b>19</b>							
Net operating expenses	Commissions	<b>21</b>	65740		151387		63144	153983	
	Other acquisition expenses	<b>22</b>	32848		64146		29585	67409	
	Administrative expenses	<b>23</b>			105340			105340	
	Reinsurance commissions and profit participations	<b>24</b>							
	Total (21+22+23-24)	<b>29</b>	98588		320874		92729	326733	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>					27624	27624	
	Reinsurers' share	<b>32</b>					24423	24423	
	Claims management costs	<b>33</b>							
	Total (31-32+33)	<b>39</b>					3202	3202	
Split of line 29	Prior financial years	<b>41</b>							
	This financial year	<b>42</b>	98588		320874		92729	326733	
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>					3202	3202	
	Incidents occurring in this financial year	<b>52</b>							

**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 2009****Total treaty reinsurance accepted business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R22</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>003</b>
				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	<b>11</b>	34394	4102	29219	(1073)			
	Reinsurers' share	<b>12</b>							
	Net (11-12)	<b>13</b>	34394	4102	29219	(1073)			
	Claims management costs	<b>14</b>	661	263	536	138			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>							
	Reinsurers' share	<b>16</b>							
	Net (15-16)	<b>17</b>							
	Claims management costs	<b>18</b>							
Provision for unexpired risks		<b>19</b>							
Net operating expenses	Commissions	<b>21</b>							
	Other acquisition expenses	<b>22</b>							
	Administrative expenses	<b>23</b>							
	Reinsurance commissions and profit participations	<b>24</b>							
	Total (21+22+23-24)	<b>29</b>							
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>							
	Reinsurers' share	<b>32</b>							
	Claims management costs	<b>33</b>							
	Total (31-32+33)	<b>39</b>							
Split of line 29	Prior financial years	<b>41</b>							
	This financial year	<b>42</b>							
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>							
	Incidents occurring in this financial year	<b>52</b>							

## 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 2009****Total primary (direct) and facultative personal lines motor business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R22</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>120</b>
				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	<b>11</b>	638448		241283		461740	64574	
	Reinsurers' share	<b>12</b>	38278		5776		69729	37228	
	Net (11-12)	<b>13</b>	600171		235506		392011	27346	
	Claims management costs	<b>14</b>	18370		15960		10157	7747	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>			238710		327579	566289	
	Reinsurers' share	<b>16</b>					5066	5066	
	Net (15-16)	<b>17</b>			238710		322513	561223	
	Claims management costs	<b>18</b>			15284		5106	20391	
Provision for unexpired risks		<b>19</b>							
Net operating expenses	Commissions	<b>21</b>	12142		25531		13099	24574	
	Other acquisition expenses	<b>22</b>	19420		37061		16092	40388	
	Administrative expenses	<b>23</b>			49954			49954	
	Reinsurance commissions and profit participations	<b>24</b>							
	Total (21+22+23-24)	<b>29</b>	31562		112546		29191	114917	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>					27624	27624	
	Reinsurers' share	<b>32</b>					24423	24423	
	Claims management costs	<b>33</b>							
	Total (31-32+33)	<b>39</b>					3202	3202	
Split of line 29	Prior financial years	<b>41</b>							
	This financial year	<b>42</b>	31562		112546		29191	114917	
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>					3202	3202	
	Incidents occurring in this financial year	<b>52</b>							

## 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 2009****Primary (direct) and facultative household and domestic all risks**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R22</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>160</b>
				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	<b>11</b>	186628		95696		59624	(31307)	
	Reinsurers' share	<b>12</b>	3648		1960		3218	1529	
	Net (11-12)	<b>13</b>	182980		93736		56407	(32837)	
	Claims management costs	<b>14</b>	641		6330		807	6495	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>			128558		101182	229739	
	Reinsurers' share	<b>16</b>							
	Net (15-16)	<b>17</b>			128558		101182	229739	
	Claims management costs	<b>18</b>			8231		333	8565	
Provision for unexpired risks		<b>19</b>							
Net operating expenses	Commissions	<b>21</b>	51665		127947		48994	130617	
	Other acquisition expenses	<b>22</b>	12960		25498		12737	25721	
	Administrative expenses	<b>23</b>			32890			32890	
	Reinsurance commissions and profit participations	<b>24</b>							
	Total (21+22+23-24)	<b>29</b>	64625		186335		61731	189228	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>							
	Reinsurers' share	<b>32</b>							
	Claims management costs	<b>33</b>							
	Total (31-32+33)	<b>39</b>							
Split of line 29	Prior financial years	<b>41</b>							
	This financial year	<b>42</b>	64625		186335		61731	189228	
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>							
	Incidents occurring in this financial year	<b>52</b>							

## 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 2009****Total primary (direct) and facultative personal lines financial loss business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R22</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>180</b>
				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	<b>11</b>	23497		(4465)		16451	(11511)	
	Reinsurers' share	<b>12</b>	0					(0)	
	Net (11-12)	<b>13</b>	23497		(4465)		16451	(11511)	
	Claims management costs	<b>14</b>	30		(295)		14	(311)	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>			5543		7161	12704	
	Reinsurers' share	<b>16</b>							
	Net (15-16)	<b>17</b>			5543		7161	12704	
	Claims management costs	<b>18</b>			355		9	364	
Provision for unexpired risks		<b>19</b>							
Net operating expenses	Commissions	<b>21</b>	1933		(2090)		1050	(1207)	
	Other acquisition expenses	<b>22</b>	428		1356		619	1165	
	Administrative expenses	<b>23</b>			21932			21932	
	Reinsurance commissions and profit participations	<b>24</b>							
	Total (21+22+23-24)	<b>29</b>	2361		21197		1669	21890	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>							
	Reinsurers' share	<b>32</b>							
	Claims management costs	<b>33</b>							
	Total (31-32+33)	<b>39</b>							
Split of line 29	Prior financial years	<b>41</b>							
	This financial year	<b>42</b>	2361		21197		1669	21890	
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>							
	Incidents occurring in this financial year	<b>52</b>							

## 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 2009****Balance of all primary (direct) and facultative business**

		Company registration number	GL/UK/CM	day month year			Units	Category number			
		<b>R22</b>	<b>2258947</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>409</b>		
				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	<b>11</b>	550	265	44	(241)					
	Reinsurers' share	<b>12</b>									
	Net (11-12)	<b>13</b>	550	265	44	(241)					
	Claims management costs	<b>14</b>		18		18					
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>		648	691	1338					
	Reinsurers' share	<b>16</b>									
	Net (15-16)	<b>17</b>		648	691	1338					
	Claims management costs	<b>18</b>		41		41					
Provision for unexpired risks		<b>19</b>									
Net operating expenses	Commissions	<b>21</b>									
	Other acquisition expenses	<b>22</b>	40	231	137	134					
	Administrative expenses	<b>23</b>		564		564					
	Reinsurance commissions and profit participations	<b>24</b>									
	Total (21+22+23-24)	<b>29</b>	40	795	137	698					
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>									
	Reinsurers' share	<b>32</b>									
	Claims management costs	<b>33</b>									
	Total (31-32+33)	<b>39</b>									
Split of line 29	Prior financial years	<b>41</b>									
	This financial year	<b>42</b>	40	795	137	698					
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>									
	Incidents occurring in this financial year	<b>52</b>									



## 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 2009

## Balance of all treaty reinsurance accepted business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2009	£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	34394	4102	29219	(1073)			
	Reinsurers' share	12							
	Net (11-12)	13	34394	4102	29219	(1073)			
	Claims management costs	14	661	263	536	138			
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 2009

Total business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		5	6	Claims outstanding brought forward		8	9	10	day month year			12	13			
							Reported (net)	Incurred but not reported (net)			Reported (net)	Incurred but not reported (net)				GL	31	12			2009	£000	Units
12	2009	11				373459	295070	136476					805005									001	
12	2008	12	333148	342048		188256	126282	42958			90771		15428										
12	2007	13	283889	432551	246725	56600	84493	24722			36226		(4538)										
12	2006	14	294054	347949	173673	28928	61961	13883			26402		(6295)										
12	2005	15	328153	350329	204719	21971	40809	5960			16611		(11792)										
12	2004	16	321943	213495	206819	14250	30732	5988			11652		(992)		1758								
12	2003	17	319796	351579	248540	7824	8284	9272			15585		(3633)										
12	2002	18	419804	294237	275767	5652	6811	5140			5506		(566)		350								
12	2001	19	201070	169448	334665	4009	7541	14104			14329		(1062)										
12	2000	20	154693	122213	123840	639	22	53			6		678										
Prior accident years		21				1015	4217	919			541		1452		1093								
Reconciliation		22																					
Total (11 to 22)		29				702603	666201	259475			217629		786687		3202								

**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 2009**

**Total primary (direct) and facultative business**

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		5	6	Claims outstanding brought forward		8	9	10	day month year		Units	Category number	
							Reported (net)	Incurred but not reported (net)			Reported (net)	Incurred but not reported (net)				31	12			2009
12	2009	11				373459	295070	136476	8				805005	10	11	12	1083360		002	
12	2008	12	333148	342048		188256	126262	42958	90771	251277			15428			1076476	4.5			
12	2007	13	283889	432551	246725	56600	84493	24722	36226	134126			(4538)			945659	(4.6)			
12	2006	14	294054	347949	173673	28928	61961	13883	26402	86664			(8295)			932277	(20.0)			
12	2005	15	328153	350329	204719	21971	40809	5960	16611	63921			(11792)			955088	(21.9)			
12	2004	16	321943	213495	208819	14244	29506	4367	11652	40310			(3845)	1758		980870	19.4			
12	2003	17	272711	327450	228155	7749	7469	5288	11859	16654			(8006)			832043	(24.1)			
12	2002	18	269859	195182	185758	4825	5877	2161	1388	10123			1353	350		769345	1.8			
12	2001	19	201070	169448	153016	815	3372	612	57	4423			318			532266	(6.9)			
12	2000	20	154693	122213	123840	639	22	53	6	30			678			353100	1.9			
Prior accident years		21				1015	4217	919	541	4157			1452	1093						
Reconciliation		22																		
Total (11 to 22)		29				698502	659058	237399	195513	611686			787761	3202						

**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 2009**

**Total treaty reinsurance accepted business**

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number						
	R23	2258947		GL	31	12			2009	£000				
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding forward	Claims outstanding forward	Claims outstanding 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 %
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
12	2009	11			4	5	6	7	8	9	10	11	12	13
12	2008	12												
12	2007	13												
12	2006	14												
12	2005	15												
12	2004	16			6	1226	1621			2852				
12	2003	17	47085	24129	75	815	3985	1774	3726	(627)		112819	4.7	64.1
12	2002	18	149945	99055	827	934	2978	2540	4118	(1919)		351442	(4.3)	69.6
12	2001	19			3194	4169	13492	7963	14272	(1380)		257637		78.6
12	2000	20												
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			4102	7143	22076	12278	22116	(1073)				

## 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 2009**

## 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	2258947		GL	31	12			2009	£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)				
12	2009	11			238710	218805	103707	7	8	9	11	12	13
12	2008	12	232121		122909	109726	36818	183817	48305	37332	548461	16.1	87.1
12	2007	13	250339	123910	42851	73440	18378	108649	23452	2568	480084	3.3	86.1
12	2006	14	231657	102699	24095	52656	7137	70697	13821	(629)	472887	(19.5)	78.5
12	2005	15	240763	122816	20551	36447	3014	55799	9665	(5453)	495629	(24.1)	74.0
12	2004	16	96533	133009	12887	28095	3128	37540	9848	(3278)	524823	83.5	70.5
12	2003	17	210103	139585	6025	5650	1324	12551	6672	(8224)	479299	(27.4)	68.6
12	2002	18	133704	125930	4281	5495	1841	9699	697	1220	487900	2.9	64.2
12	2001	19	132465	116989	603	3265	554	4234	52	137	382494	(8.3)	73.7
12	2000	20	109569	109766	589	17	53	10	1	649	279641	0.8	87.0
Prior accident years		21			716	4065	907	4125	540	1022	1093		
Reconciliation		22											
Total (11 to 22)		29			474217	537661	176862	487120	113052	588667	3202		

## 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 2009

## Primary (direct) and facultative household and domestic all risks

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		Claims outstanding brought forward		R23	Company registration number	GL/UK/CM	day month year		Units	Category number	
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)				31	12 2009			£000
12	2009	11				128558	73342	27839		8	9	2258947	GL		10	11	12	13
12	2008	12	117366	104229		65637	13428	3287	63989	40240		(21877)			10	11	12	13
12	2007	13	125358	178455	120466	15200	7967	4682	21117	9676		(2944)			10	11	12	13
12	2006	14	103534	115583	67255	6216	5868	5985	11688	9433		(3051)			10	11	12	13
12	2005	15	139605	108821	80635	2494	3131	2683	6204	5564		(3461)			10	11	12	13
12	2004	16	128638	116307	73694	1374	1383	1209	2706	1762		(503)			10	11	12	13
12	2003	17	96694	117155	88493	1718	1801	3962	4078	5165		(1763)			10	11	12	13
12	2002	18	94122	61296	59708	539	378	319	416	691		129			10	11	12	13
12	2001	19	40538	36799	35823	211	106	58	188	5		182			10	11	12	13
12	2000	20	21859	12450	13883	49	5	0	19	5		30			10	11	12	13
Prior accident years						298	149	6	31	1		421						
Reconciliation																		
Total (11 to 22)						222294	107558	50031	110436	72543		196903						

## 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 2009

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

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number						
	R23	2258947		GL	31	12			2009	£000	180			
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 %	
						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
12	2009	11			5543	2700	4461			10	11			34.3
12	2008	12	5356		(545)	3094	2823	3285	2071		76796	0.3	16.3	
12	2007	13	3647	2252	(1461)	3086	1661	4248	3003	(3964)	67900	51.9	13.8	
12	2006	14	709	3720	(1383)	3436	761	4280	3148	(4615)	59444	821.5	21.1	
12	2005	15	745	1269	(1073)	1231	263	1917	1382	(2878)	47471	126.8	12.9	
12	2004	16	655	116	(17)	29	30	64	41	(64)	27038	(75.9)	2.2	
12	2003	17	192	77	7	19	1	24	22	(19)	20081	(46.0)	0.5	
12	2002	18	182	119	5	4	2	8	0	4	19014	(28.1)	1.8	
12	2001	19	184	203	1	1	0	2	1	(1)	15974	11.3	1.4	
12	2000	20	194	191	0	0	0	0	0	(0)	13321	(1.4)	1.5	
Prior accident years		21			2	2	6	1	0	9				
Reconciliation		22												
Total (11 to 22)		29			1078	13603	10008	13829	9668	1193				

## 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 2009

## Balance of all primary (direct) and facultative business

Accident year ended	Month	Year	Company registration number										Units	Category number												
			R23		2258947		GL		31 12 2009		£000				409											
			Claims outstanding brought forward		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 %									
			Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	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	14	15	16	17	18	19	20	21	22	29	
12	2009	11				648	222	468		8	1339		1871													
12	2008	12	583	342		255	14	30	186	156	(43)		1800	(12.6)												
12	2007	13	61	110	97	9			113	94	(198)		289	(3.3)												
12	2006	14																								
12	2005	15																								
12	2004	16																								
12	2003	17																								
12	2002	18																								
12	2001	19																								
12	2000	20																								
Prior accident years																										
Reconciliation																										
Total (11 to 22)						912	237	498	299	250	1098															



## 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 2009

## Balance of all treaty reinsurance accepted business

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number						
	R23	2258947		GL	31	12			2009	£000	709			
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding forward	Claims outstanding forward	Claims outstanding 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 %
12	2009	11												
12	2008	12												
12	2007	13												
12	2006	14												
12	2005	15												
12	2004	16								2852				
12	2003	17	47085	24129	20385	6	1226	1621		(627)		112819	4.7	64.1
12	2002	18	149945	99055	90009	827	934	2978	1774	(1919)		351442	(4.3)	69.6
12	2001	19			181649	3194	4169	13492	7963	(1380)		257637		78.6
12	2000	20												
Prior accident years		21												
Reconciliation		22												
Total (11 to 22)		29			4102	7143	22076	12278	22116	(1073)				

## 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**  
 Global business Reporting Territory **United Kingdom other than home foreign**

Financial year ended **31 December 2009**

## Primary (direct) and facultative household and domestic all risks

Accident year ended	Month	Year	Number of claims			Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Category number	Currency code	Reporting territory code
			Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	In this financial year	Reported	In this financial year	Reported			
			1	2	3	4	5	6	7	8	9	10	11	
	12	2009	96935	37189		128558	73342	27839			229739	485346	47.3	
	12	2008	133964	2619	117366	65634	15012	3287	63989	40240	(20296)	481423	41.8	
	12	2007	170271	930	326153	16639	8878	4682	22774	9676	(2250)	502799	70.9	
	12	2006	176301	500	221242	6216	5878	5985	12498	9433	(3852)	535687	44.7	
	12	2005	371408	2839	272193	2264	3131	2883	6402	5564	(3889)	547454	51.2	
	12	2004	254209	2090	256186	1374	1383	1209	2706	1762	(503)	561956	46.3	
	12	2003	194958	790	238655	2322	2365	3962	5004	5165	(1520)	443121	55.8	
	12	2002	147774	315	154287	615	521	319	449	691	314	262425	59.3	
	12	2001	73267	133	76838	285	112	58	212	5	238	144200	53.6	
	12	2000	32980	56	37198	49	5	0	19	5	30	62646	59.5	
Prior accident years				50		298	149	6	31	1	421			
Total (11 to 21)				47511		224254	110775	50030	114084	72543	198433			
Line 28 expressed in sterling						224254	110775	50030	114084	72543	198433			

## 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 2009

Reporting territory code

Company registration number

GL

2258947

AA

Private motor - comprehensive

GL

31 12 2009

121

AA

Month

R32

31 12 2009

121

AA

Accident year ended	Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Reporting territory code
	Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported					
Year	1	2	3	4	5	6	7	8	9	10	11	12	
12 2009	11	176880		220431	186941	84697			492069	529196	93.0	1758	12.7
12 2008	12	212695	194293	104153	97687	28529	160151	37024	33193	494833	85.8	1637	13.6
12 2007	13	248594	318724	35612	68940	15808	98243	17805	4313	516801	85.0	1714	14.7
12 2006	14	261580	338704	18997	36969	6674	52872	12366	(2597)	530457	75.7	1752	15.0
12 2005	15	412066	345647	16587	33699	3223	48721	3715	1073	546640	73.0	1769	23.3
12 2004	16	339445	372952	9187	20616	2496	27872	5126	(699)	585883	69.2	1791	19.0
12 2003	17	270748	358691	5644	4897	1290	11328	5167	(4663)	521787	71.0	1698	16.0
12 2002	18	210577	295481	4453	8019	1877	10139	87	4124	398615	77.7	1288	16.4
12 2001	19	188616	253330	419	1367	148	2027	275	(367)	335635	76.1	1146	16.5
12 2000	20	149628	214655	139	195	51	514	30	(159)	249319	86.3	930	16.1
Prior accident years	21			521	27757	108	1359	44	26983				
Total (11 to 21)	29			416143	487087	144901	413225	81638	553268				
Line 29 expressed in sterling	30			416143	487087	144901	413225	81638	553268				

## 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 2009

Accident year ended	Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Reporting territory code
	Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported					
Month	1	2	3	4	5	6	7	8	9	10	11	12	AA
12 2009	5128	3226	18258	18258	32207	23730	2258947	GL	31 12 2009	000	122	GBP	AA
12 2008	8799	1277	13724	18756	12463	11325	23969	GL	74196	62433	118.8	192	4.4
12 2007	12201	566	36730	7239	9959	5752	15728	GL	3414	60535	93.0	188	5.4
12 2006	14564	295	46480	5098	16602	3428	17922	GL	(1958)	64502	92.5	217	5.9
12 2005	25662	123	53278	3980	4659	390	7730	GL	3018	77062	92.9	260	5.7
12 2004	28460	60	66839	3094	7168	609	8968	GL	(6737)	90469	68.9	312	8.3
12 2003	24237	24	66214	548	1387	192	1897	GL	(1354)	105832	73.4	335	8.5
12 2002	20004	14	50980	2807	5601	327	7238	GL	(1473)	116875	58.5	348	7.0
12 2001	16310	10	42944	166	10906	747	5671	GL	530	89286	66.9	287	7.0
12 2000	13127	2	33606	2026	62	8	275	GL	5852	73171	74.8	239	6.8
Prior accident years		7	1127	8019	821	7860	347	GL	1760	37982	94.0	186	7.1
Total (11 to 21)		5604	63100	47329	97258	43141	79064	GL	79064				
Line 29 expressed in sterling			63100	47329	97258	43141	79064	GL	79064				

## Equalisation provisions

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

	R37	2258947	GL	day month year			Units
				31	12	2009	
	Business grouping A (property)	Business grouping B (business interruption)	Business grouping C (marine and aviation)	Business grouping D (nuclear)	Business grouping E (non-proportional treaty)	All business groupings	£000
<b>Calculation of the maximum provision</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
Total net premiums written in the previous 4 years	11	1659180					
Net premiums written in the current year	12	455841					
Maximum provision	13	84601				84601	

## Calculation of the transfer to/from the provision

Equalisation provision brought forward	21					83056	
Transfers in	22	13675				13675	
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					96731	
Excess, if any, of 26 over 13	27					12130	
Equalisation provision carried forward (26-27)	28					84601	
Transfer in/(out) for financial year (28-21)	29					1545	

**Equalisation provisions technical account : Accident year accounting**

Name of insurer

**Churchill Insurance Company Limited**

Global business

Financial year ended

**31 December 2009**

	Company registration number	GL/UK/CM	day month year			Units
			31	12	2009	
<b>R38</b>	<b>2258947</b>	<b>GL</b>				<b>£000</b>
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		
<b>Other than credit business</b>						
Net premiums earned	459353					
Claims incurred net of reinsurance	197171					
Trigger claims value	333031					
Abnormal loss						
Trigger claims ratio	72.5%	95%	25%	100%		

**Credit business**

Net premiums earned	<b>21</b>
Claims incurred net of reinsurance	<b>22</b>
Claims management costs	<b>23</b>
Net operating expenditure	<b>24</b>
Technical surplus/ (deficit) (21-22-23-24)	<b>29</b>

**Supplementary Notes to the Return**

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2009**

\*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

	2009 £'000	2008 £'000
Form 13 line 89	2,514,923	2,426,088
Form 15 line 69	(1,810,776)	(1,728,401)
	704,147	697,687
Total capital resources after deductions (Form 3 line 79)	704,147	697,687

\*0310\* – Net Valuation Differences

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

	2009 £'000	2008 £'000
Line 14 – positive valuation differences	nil	Nil
Line 35 – other negative valuation differences	84,601	83,056

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

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

	£'000
Form 3 col 3 line 12 (Reserves c/f)	311,522
Form 3 col 4 line 12 (Reserves b/f)	(273,857)
Movement in Reserves	37,665
Movement on Claims Equalisation Reserve	(1,545)
Prior year P&L Stat Accounts adjustment	311
Form 16 Line 59 - Profit Retained For The Financial Year	36,431

Following a systems review a mismatch between the underwriting entity disclosed on the customer documentation for the motor vehicle rescue business and the statutory entity recording premiums, claims and expenses for that business was identified.

The correcting entries required are to attribute the income and expenses assets, liabilities and reserves in respect of an element of the motor vehicle rescue business from the Company to a fellow subsidiary, U K Insurance Limited.

## Supplementary Notes to the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2009**

The impact of the restatement is shown below:

	<b>Year Ended 31 December 2009 £'000</b>
Premium receivables	(36,950)
Change in unearned premium provision	<u>4,345</u>
Net insurance premium revenue	(32,605)
Insurance claims	10,981
Commission expenses	<u>4,248</u>
<b>Decrease in profit before tax</b>	<b>(17,376)</b>
Tax charge	<u>5,143</u>
<b>Decrease in profit for the year</b>	<b><u>(12,233)</u></b>

The cumulative correction for Churchill has been made in 2009 with no change to the 2008 comparatives.

The risk category affected by the adjustment is 180 Assistance.

### \*1104\* – Discounting

Provisions for claims outstanding at Form 11 line 51 are shown net of discounting for Class 1 business.

### \*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:

	<b>£'000</b>
Royal Bank Scotland plc (bonds & deposits)	155,939
Banco Santander SA (bonds)	95,574
Barclays PLC (bonds & deposits)	81,476
Lloyds Banking Group plc (bonds & deposits)	73,545
Nationwide Building Society (deposits)	<u>50,040</u>
	<u><u>456,574</u></u>

### \*1315\* – Particulars of amounts included at line 83 – Other Assets

	<b>£'000</b>
Current Tax Asset	23,318

### \*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.

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 2009**

### \*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 £(84,601,000) 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.

### \*1603\* – Other Income and Charges

	2009 £'000	2008 £'000
Profit on sale of property, plant & equipment	0	0
Rental and sundry income	295	495
	<hr/> 295	<hr/> 495

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.

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 2009**

\*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 Premium</u>	<u>Gross claims outstanding Reported</u>	<u>Incurred but not reported</u>	<u>Provision for gross unearned premium</u>
		<u>£'000</u>	<u>£'000</u>	
Motor	-	4,878	14,008	-
Home	-	2,265	8,108	-
	-	7,143	22,116	-

\*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(IN5) 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 2009, an amount of £194,000,000 was recharged to the Company by RBSIS. At 31 December 2009, the Company owes £19,376,970 to RBSIS in respect of these services.

**Supplementary notes to the Return**

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2009**

\*2102\* – Provision for Unearned Premium

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

\*2202\* – Basis for 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 2009.

\*3000\* Expected Income and Yield from Admissible Assets Covering Discounted Provisions

Form 30 has been omitted as in the case of Sheet 2, the provision for claims outstanding being discounted (before deduction for discounting) does not exceed 25% of the total provision for claims outstanding (before deduction for discounting). Additionally for Sheet 1, there is no requirement, as those currencies for which the provisions for claims outstanding being discounted, (before deduction for discounting) do not exceed 25% of the total provision for that currency for claims outstanding (before deduction for discounting).

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 2009**

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.	-	5,352	588	-	4,454
Validus Reinsurance Ltd Mintflower Place 3 <sup>rd</sup> Floor 8 Par La Ville Road Hamilton HM08 Bermuda	None	-	-	-	-	-
Lloyd's of London One Lime Street London EC3M 7HA	None	-	3,642	110	-	99
Munich Reinsurance Company Koniginstrasse 107 80802 Munchen Germany	None	-	2,297	427	-	4,049
Swiss Reinsurance Ltd 30 St MaryAve London EC3A 8EP	None	-	3,104	871	-	4,274
Transatlantic Reinsurance Co. Corn Exchange 55 Mark Lane London EC3R 7NE	None	-	1,188	431	-	1
General Reinsurance UK Limited Corn Exchange 55 Mark Lane London EC3R 7NE	None	-	1,682	103	-	-

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 2009**

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 2009**

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 2009**

Churchill Insurance Company Ltd 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 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<b>Motor Programme Excess of Loss</b>					
1 <sup>st</sup> Layer	Risks attaching in 12 months at 1 January 2009	£5,000,000 xs £5,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
2 <sup>nd</sup> Layer	Risks attaching in 12 months at 1 January 2009	£15,000,000 xs £10,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
3 <sup>rd</sup> Layer	Risks attaching in 12 months at 1 January 2009	Unlimited xs £25,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
4 <sup>th</sup> Layer	Risks attaching in 12 months at 1 January 2009	£75,000,000 xs £25,000,000	Unlimited Free	Full indexation clause applies to bodily injury claims	Motor Liability class
5 <sup>th</sup> Layer	Risks attaching in 12 months at 1 January 2009	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 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Liability Programme Excess of Loss</u>	RBS Group Cover				
1 <sup>st</sup> Layer	Risks attaching in 12 months at 1 January 2009	£4,000,000 xs £1,000,000	2 Free, except EL which are unlimited	Group cover protecting DL / UKI / CIC / NIG	EL/PL/ Pet Liability/ Travel Liability
2 <sup>nd</sup> Layer	Risks attaching in 12 months at 1 January 2009	£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
3 <sup>rd</sup> Layer	Risks attaching in 12 months at 1 January 2009	£15,000,000 xs £10,000,000	One Free	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 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Travel Programme Excess of Loss</u>	RBS Group Cover				
1 <sup>st</sup> Layer	Losses occurring during 12 months at 1 <sup>st</sup> January 2009	£8,000,000 xs £2,000,000	1 at 100% AP	Group cover protecting DL / UKI / CIC / NIG	Accident / Travel
2 <sup>nd</sup> Layer	Losses occurring during 12 months at 1 <sup>st</sup> January 2009	£10,000,000 xs £10,000,000	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 2009**

Description of Cover	Period Covered	Limits	Reinstatements	Remarks	Risk Group
<u>Property Catastrophe Programme Excess of Loss</u>	From 01/10/2008				
1 <sup>st</sup> Layer	12 months at 1 October 2008	£200,000,000 xs £220,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
2 <sup>nd</sup> Layer	12 months at 1 October 2008	£265,000,000 xs £420,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
3 <sup>rd</sup> Layer	12 months at 1 October 2008	£265,000,000 xs £685,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
4 <sup>th</sup> Layer	12 months at 1 October 2008	£150,000,000 xs £950,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
5 <sup>th</sup> Layer	12 months at 1 October 2008	£25,000,000 xs £1,100,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
6 <sup>th</sup> Layer	12 months at 1 October 2008	£200,000,000 xs £1,125,000,000 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 2009**

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

6 <sup>th</sup> Layer	Losses occurring during 12 months at 1 <sup>st</sup> 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 <sup>th</sup> Layer	Losses occurring during 12 months at 1 <sup>st</sup> 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 <sup>th</sup> Layer	Losses occurring during 12 months at 1 <sup>st</sup> October 2009	£200,000,000 xs £220,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
9 <sup>th</sup> Layer	Losses occurring during 12 months at 1 <sup>st</sup> October 2009	£265,000,000 xs £420,000,000	One at 100% additional premium	RBS Group Cover	Householder & Motor Physical Damage Combined Losses
10 <sup>th</sup> Layer	Losses occurring during 12 months at 1 <sup>st</sup> 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 2009**

Accounting Class	Facultative reinsurance ceded	Non facultative reinsurance ceded	Total Ceded
	£000	£000	£000
120	-	8,513	8,513
160	-	23,629	23,629
180	-	2	2
409	-	10	10
Total	-	32,153	32,153

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	5,000	5,000
Home / Householders (RMS 1 in 273 year return period for Windstorm and Coastal Inundation combined. RBSI excluding TPF combined policy – includes Reinstatement premium)	293,400	293,400
Pet Liability	1,000	1,000
Travel incl Liability	2,000	2,000
Home Liability	1,000	1,000

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 2009**

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 2009.

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 2009**

The following persons have been shareholder controllers of the Company during the year ended 31 December 2009:

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



**Rule 9.34 DIRECTORS' CERTIFICATE**

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2009**

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

We certify that:

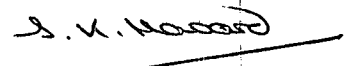
1. the return, comprising Forms 1, 3, 11 to 13, 15, 16, 20A, 20 to 23, 31, 32, 37 and 38 (including the supplementary notes) and the statements required by rules 9.25, 9.26, 9.27, 9.29, 9.30, 9.32 and 9.32A, has been properly prepared in accordance with the Accounts and Statements Rules set out in part 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

18 March 2010

## AUDITORS' REPORT

Name of Company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2009**

### **Report of the auditors to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook for Insurers**

We have examined the following documents prepared by the company pursuant to 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, ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 1, 3, 11 to 13, 15, 16, 20A, 20 to 23, 31, 32, 37 and 38 (including the supplementary notes) on pages 3 to 59 ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 on pages 60 to 62, and rule 9.29 on page 71 ("the Statements").

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

- the statements required by IPRU(INS) rules 9.32 and 9.32A on pages 63 to 70 and rule 9.30 on page 72; and
- the directors' certificate required by IPRU(INS) rule 9.34 on page 73 ("the directors' certificate").

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 company'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 company, for our work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the company and its auditors**

The company is responsible for the preparation of an annual return (including the Forms, the Statements, the statements not examined by us and the directors' certificate) under the provisions of the Rules. The requirements of the Rules have been modified by a waiver issued under section 148 of the Financial Services and Markets Act 2000 on 16 June 2009. Under IPRU(INS) rule 9.11 the Forms, the Statements, the statements not examined by us and the directors' certificate 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, the company has not kept proper accounting records or we have not received all the information we require for our examination.

**AUDITORS' REPORT continued**

**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 company for the financial year. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms and the Statements.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms and the Statements are free from material misstatement, whether caused by fraud or other irregularity or error and comply with IPRU(INS) rule 9.11.

**Opinion**

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

*Deloitte LLP*

**Deloitte LLP**

Chartered Accountants and Statutory Auditors  
London, United Kingdom

Date *18 March 2010*