

Churchill Insurance Company Limited

Annual PRA Insurance Returns for the year ended

31 December 2014

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

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

Global business

Financial year ended **31 December 2014**

Solo solvency calculation

R1	Company registration number	GL/UK/CM	day month year			Units
			31	12	2014	
	2258947	GL				£000
			As at end of this financial year			As at end of the previous year
			1			2

Capital resources

Capital resources arising outside the long-term insurance fund	11	37013	37061
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover general insurance business capital resources requirement (11-12)	13	37013	37061

Guarantee fund

Guarantee fund requirement	21	3139	3340
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	33874	33721

Minimum capital requirement (MCR)

General insurance capital requirement	31	9416	10021
Base capital resources requirement	33	2902	3146
Individual minimum capital requirement	34	9416	10021
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	9416	10021
Excess (deficiency) of available capital resources to cover 50% of MCR	37	32305	32051
Excess (deficiency) of available capital resources to cover 75% of MCR	38	29951	29545

Capital resources requirement (CRR)

Capital resources requirement	41	9416	10021
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	27597	27040

Contingent liabilities

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/UK/CM	day month year			Units
R3	2258947	GL	31	12	2014	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Core tier one capital

Permanent share capital	11	0		0	0
Profit and loss account and other reserves	12	37012		37012	37063
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19	37013		37013	37063

Tier one waivers

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

Other tier one capital

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

Total tier one capital before deductions (19+24+25+26+27+28)	31	37013		37013	37063
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39	37013		37013	37063

Components of capital resources

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/UK/CM	day month year			Units
R3	2258947	GL	31	12	2014	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Tier two capital

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

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

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

Components of capital resources

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/UK/CM	day month year			Units
R3	2258947	GL	31	12	2014	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72	37013		37013	37063
Inadmissible assets other than intangibles and own shares	73				2
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79	37013		37013	37061

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81	37013		37013	37061
Available capital resources for 50% MCR requirement	82	37013		37013	37061
Available capital resources for 75% MCR requirement	83	37013		37013	37061

Financial engineering adjustments

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

Calculation of general insurance capital requirement - premiums amount and brought forward amount

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2014

General insurance business

	Company registration number	GL/UK/CM	day month year			Units
			R11	2258947	GL	
			This financial year			Previous year
			1			2
Gross premiums written			11			
Premiums taxes and levies (included in line 11)			12			
Premiums written net of taxes and levies (11-12)			13			
Premiums for classes 11, 12 or 13 (included in line 13)			14			
Premiums for "actuarial health insurance" (included in line 13)			15			
Sub-total A (13 + 1/2 14 - 2/3 15)			16			
Gross premiums earned			21			
Premium taxes and levies (included in line 21)			22			
Premiums earned net of taxes and levies (21-22)			23			
Premiums for classes 11, 12 or 13 (included in line 23)			24			
Premiums for "actuarial health insurance" (included in line 23)			25			
Sub-total H (23 + 1/2 24 - 2/3 25)			26			
Sub-total I (higher of sub-total A and sub-total H)			30			
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure			31			
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18		32			
	Excess (if any) over 61.3M EURO x 0.02		33			
Sub-total J (32-33)			34			
Claims paid in period of 3 financial years			41		5217	12073
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		148827	152045
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		168755	65297
Sub-total C (41+42+43-44-45)			46		(14711)	98821
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47		4297	7893
Sub-total D (46-47)			48		(19008)	90928
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)			49		1.00	0.92
Premiums amount (Sub-total J x reinsurance ratio)			50			
Provision for claims outstanding (before discounting and net of reinsurance)			51		7046	7499
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero			52			
Brought forward amount (See instruction 4)			53		9416	10021
Greater of lines 50 and 53			54		9416	10021

Calculation of general insurance capital requirement - claims amount and result

 Name of insurer **Churchill Insurance Company Limited**

Global business

 Financial year ended **31 December 2014**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	2258947	GL	31	12	2014	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R		11				36	36	
Claims paid in reference period		21				5217	12073	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22						
	For insurance business accounted for on an accident year basis	23				148827	152045	
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	24						
	For insurance business accounted for on an accident year basis	25				168755	65297	
Claims incurred in reference period (21+22+23-24-25)		26				(14711)	98821	
Claims incurred for classes 11, 12 or 13 (included in 26)		27						
Claims incurred for "actuarial health insurance" (included in 26)		28						
Sub-total E (26 +1/2 27 - 2/3 28)		29				(14711)	98821	
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)		31				(4904)	32940	
Division of sub-total F (gross adjusted claims amount)	x 0.26	32				(1275)	8564	
	Excess (if any) over 42.9M EURO x 0.03	33						
Sub-total G (32-33)		39				(1275)	8564	
Claims amount Sub-total G x reinsurance ratio (11.49)		41				(1275)	7880	
Higher of premiums amount and brought forward amount (11.54)		42				9416	10021	
General insurance capital requirement (higher of lines 41 and 42)		43				9416	10021	

Analysis of admissible assets

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

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	2014	£000	1
							As at end of this financial year	As at end of the previous year	
							1	2	
Land and buildings				11					
Investments in group undertakings and participating interests									
UK insurance dependants	Shares		21						
	Debts and loans		22						
Other insurance dependants	Shares		23						
	Debts and loans		24						
Non-insurance dependants	Shares		25						
	Debts and loans		26						
Other group undertakings	Shares		27						
	Debts and loans		28						
Participating interests	Shares		29						
	Debts and loans		30						
Other financial investments									
Equity shares				41					
Other shares and other variable yield participations				42					
Holdings in collective investment schemes				43			45539	45131	
Rights under derivative contracts				44					
Fixed interest securities	Approved		45						
	Other		46						
Variable interest securities	Approved		47						
	Other		48						
Participation in investment pools				49					
Loans secured by mortgages				50					
Loans to public or local authorities and nationalised industries or undertakings				51					
Loans secured by policies of insurance issued by the company				52					
Other loans				53					
Bank and approved credit & financial institution deposits	One month or less withdrawal		54				0		
	More than one month withdrawal		55						
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 2014**

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	2014	£000	1
						As at end of this financial year	As at end of the previous year
						1	2

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61	36417	38382
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries	73			
Reinsurance	Accepted	74		
	Ceded	75	402	422
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	4	14
	due in more than 12 months	79		

Other assets

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

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	82375	83949
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Analysis of admissible assets

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

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	2014	£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	82375	83949
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		2
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	82375	83952
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Liabilities (other than long term insurance business)Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

Company registration number	GL/UK/CM	day	month	year	Units	
R15	2258947	GL	31	12	2014	£000
				As at end of this financial year	As at end of the previous year	
				1	2	

Technical provisions (gross amount)

Provisions for unearned premiums	11			
Claims outstanding	12		43463	45882
Provision for unexpired risks	13			
Equalisation provisions	Credit business	14		
	Other than credit business	15		
Other technical provisions	16			
Total gross technical provisions (11 to 16)	19		43463	45882

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	31			
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46			
Creditors	Taxation	47		538
	Foreseeable dividend	48		
	Other	49	1899	469
Accruals and deferred income	51			
Total (19 to 51)	59		45362	46888
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69		45362	46888

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71			
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Amounts deducted from technical provisions for discounting	82			
Other adjustments (may be negative)	83			
Capital and reserves	84		37012	37064
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85		82375	83952

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

Global business

Financial year ended **31 December 2014**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	2258947	GL	31	12	2014	£000
				This financial year		Previous year		
				1		2		
Transfer (to)/from the general insurance business technical account	From Form 20	11				(325)	2136	
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13						
Investment income	Income	14				266	177	
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17				0		
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19						
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21						
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29				(60)	2313	
Tax on profit or loss on ordinary activities		31				(13)	498	
Profit or loss on ordinary activities after tax (29-31)		39				(47)	1814	
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				(47)	1814	
Dividends (paid or foreseeable)		51						
Profit or loss retained for the financial year (49-51)		59				(47)	1814	

General insurance business : Summary of business carried on

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

		Company registration number	GL/UK/CM	day month year			units	
		R20A	2258947	GL	31	12	2014	£000
Category number	PRA return general insurance business reporting category		Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year		
				Reported	Incurred but not reported			
		1	2	3	4			
001	Total business	1		118240	30415			
002	Total primary (direct) and facultative business	2		118240	30415			
003	Total treaty reinsurance accepted business	3						
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4						
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5		118240	30415			
160	Primary (direct) and facultative household and domestic all risks	6						
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7						
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8						
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9						
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10						
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11						
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12						
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13						
350	Total primary (direct) and facultative goods in transit	14						
400	Miscellaneous primary (direct) and facultative business	15						
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16						
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17						
700	Miscellaneous treaty reinsurance accepted business	18						
	Total (lines 4 to 18)	20		118240	30415			

General insurance business : Summary of business carried on

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

Category number	PRA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year
			Reported	Incurred but not reported	
		1	2	3	4

Primary (direct) and facultative personal lines business

R20A	Company registration number	GL/UK/CM	day month year			units
	2258947	GL	31	12	2014	£000
111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23				
114	Personal accident or sickness	24				
121	Private motor - comprehensive	25	88365		22137	
122	Private motor - non-comprehensive	26	29875		8278	
123	Motor cycle	27				
160	Household and domestic all risks (equals line 6)	28				
181	Assistance	29				
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32				
185	Mortgage indemnity	33				
186	Pet insurance	34				
187	Other personal financial loss	35				

Primary (direct) and facultative commercial lines business

221	Fleets	41				
222	Commercial vehicles (non-fleet)	42				
223	Motor other	43				
261	Commercial property	44				
262	Consequential loss	45				
263	Contractors or engineering all risks	46				
271	Employers liability	47				
272	Professional indemnity	48				
273	Public and products liability	49				
274	Mixed commercial package	50				
281	Fidelity and contract guarantee	51				
282	Credit	52				
283	Suretyship	53				
284	Commercial contingency	54				

Primary (direct) and facultative aviation

331	Aviation liability	61				
332	Aviation hull	62				
333	Space and satellite	63				

General insurance business : Summary of business carried on

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

		Company registration number	GL/UK/CM	day month year			units	
		R20A	2258947	GL	31	12	2014	£000
Category number	PRA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year			
			Reported	Incurred but not reported				
		1	2	3	4			
Primary (direct) and facultative marine and transport								
341	Marine liability	64						
342	Marine hull	65						
343	Energy (on and off-shore)	66						
344	Protection and indemnity	67						
345	Freight demurrage and defence	68						
346	War risks	69						
347	Yacht	70						
350	Total primary (direct) and facultative goods in transit (equals line 14)	71						
Primary (direct) and facultative miscellaneous								
400	Miscellaneous primary (direct) and facultative business (equals line 15)	72						
Non-proportional treaty								
510	Non-proportional accident and health	81						
520	Non-proportional motor	82						
530	Non-proportional aviation	83						
540	Non-proportional marine	84						
550	Non-proportional transport	85						
560	Non-proportional property	86						
570	Non-proportional liability (non-motor)	87						
580	Non-proportional financial lines	88						
590	Non-proportional aggregate cover	89						
Proportional treaty								
610	Proportional accident and health	91						
620	Proportional motor	92						
630	Proportional aviation	93						
640	Proportional marine	94						
650	Proportional transport	95						
660	Proportional property	96						
670	Proportional liability (non-motor)	97						
680	Proportional financial lines	98						
690	Proportional aggregate cover	99						
Treaty Reinsurance Miscellaneous								
700	Miscellaneous treaty reinsurance accepted business (equals line 18)	101						
Total (lines 21 to 101)		111		118240		30415		

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

Global business

Financial year ended **31 December 2014****Total business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2014	£000	001
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11							
	Claims incurred (22.17.4)	12							
	Claims management costs (22.18.4)	13							
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17					0		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					(0)		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22				(603)	(3820)		
	Claims management costs (22.14.4)	23				(39)	(982)		
	Adjustment for discounting (22.51.4)	24				(966)	(2666)		
	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					(325)	2136	
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				(325)	2136		
Allocated investment income		51							
Transfer to non-technical account (49+51)		59				(325)	2136		

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

Global business

Financial year ended **31 December 2014****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2014	£000	002
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11							
	Claims incurred (22.17.4)	12							
	Claims management costs (22.18.4)	13							
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17					0		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					(0)		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22					(603)	(3820)	
	Claims management costs (22.14.4)	23					(39)	(982)	
	Adjustment for discounting (22.51.4)	24					(966)	(2666)	
	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					(325)	2136	
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					(325)	2136	
Allocated investment income		51							
Transfer to non-technical account (49+51)		59					(325)	2136	

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

Total primary (direct) and facultative personal lines motor business

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		R20	2258947	GL	31	12	2014	£000	120
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11							
	Claims incurred (22.17.4)	12							
	Claims management costs (22.18.4)	13							
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15							
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17					0		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19					(0)		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22					(603)	(3820)	
	Claims management costs (22.14.4)	23					(39)	(982)	
	Adjustment for discounting (22.51.4)	24					(966)	(2666)	
	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					(325)	2136	
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					(325)	2136	
Allocated investment income		51							
Transfer to non-technical account (49+51)		59					(325)	2136	

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 2014****Total business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2014	£000	001
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	151834		2424		148655	(755)	
	Reinsurers' share	12	132662		1646		130864	(152)	
	Net (11-12)	13	19172		778		17792	(603)	
	Claims management costs	14	211				172	(39)	
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			0			0	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29			0			0	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	106163				105364	(799)	
	Reinsurers' share	32	94280				94447	167	
	Claims management costs	33							
	Total (31-32+33)	39	11883				10917	(966)	
Split of line 29	Prior financial years	41							
	This financial year	42			0			0	
Split of line 39	Incidents occurring prior to this financial year	51	11883				10917	(966)	
	Incidents occurring in this financial year	52							

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2014	£000	002
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	151834		2424		148655		(755)
	Reinsurers' share	12	132662		1646		130864		(152)
	Net (11-12)	13	19172		778		17792		(603)
	Claims management costs	14	211				172		(39)
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			0				0
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29			0				0
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	106163				105364		(799)
	Reinsurers' share	32	94280				94447		167
	Claims management costs	33							
	Total (31-32+33)	39	11883				10917		(966)
Split of line 29	Prior financial years	41							
	This financial year	42			0				0
Split of line 39	Incidents occurring prior to this financial year	51	11883				10917		(966)
	Incidents occurring in this financial year	52							

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2014**

Total primary (direct) and facultative personal lines motor business

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2258947	GL	31	12	2014	£000	120
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	151834		2424		148655	(755)	
	Reinsurers' share	12	132662		1646		130864	(152)	
	Net (11-12)	13	19172		778		17792	(603)	
	Claims management costs	14	211				172	(39)	
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			0			0	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29			0			0	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	106163				105364	(799)	
	Reinsurers' share	32	94280				94447	167	
	Claims management costs	33							
	Total (31-32+33)	39	11883				10917	(966)	
Split of line 29	Prior financial years	41							
	This financial year	42			0			0	
Split of line 39	Incidents occurring prior to this financial year	51	11883				10917	(966)	
	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 2014**

Total business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding carried forward		Claims outstanding brought forward		2258947	GL	day month year			Units	Category number	
							Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)			31	12	2014			£000
	12	2014						7	8			10	11	12	13			
	12	2013																
	12	2012																
	12	2011											(9600)					
	12	2010																
	12	2009																
	12	2008																
	12	2007																
	12	2006																
	12	2005																
Prior accident years				778			16253	1538	1512	(603)	10917							
Reconciliation																		
Total (11 to 22)				778			16253	1538	1512	(603)	10917							

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 2014**

Total primary (direct) and facultative business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		5	6	Claims outstanding brought forward		9	GL	day month year			Units	Category number
							Reported (net)	Incurred but not reported (net)			Reported (net)	Incurred but not reported (net)			31	12	2014		
	12	2014	11									8		10	11	12	13	002	
	12	2013	12																
	12	2012	13																
	12	2011	14												(9600)				
	12	2010	15																
	12	2009	16																
	12	2008	17																
	12	2007	18																
	12	2006	19																
	12	2005	20																
Prior accident years			21			778	16253	1538	1538	17660	1512	(603)	10917						
Reconciliation			22																
Total (11 to 22)			29			778	16253	1538	1538	17660	1512	(603)	10917						

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 2014**

Total primary (direct) and facultative personal lines motor business

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		5	6	Claims outstanding brought forward		9	GL	day month year			Units	Category number	
							Reported (net)	Incurred but not reported (net)			Reported (net)	Incurred but not reported (net)			31	12	2014			£000
	12	2014	11																	
	12	2013	12																	
	12	2012	13																	
	12	2011	14																	
	12	2010	15																	
	12	2009	16																	
	12	2008	17																	
	12	2007	18																	
	12	2006	19																	
	12	2005	20																	
	Prior accident years		21			778	16253	1538	17660	1512	10917	(603)								
	Reconciliation		22																	
	Total (11 to 22)		29			778	16253	1538	17660	1512	10917	(603)								

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

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended

31 December 2014

Company registration number 2258947
GL/UK/CM
day month year 31 12 2014
Units £000

Major currencies	Reporting territory code	Total admissible assets as shown on Form 13	1	Admissible assets hypothesized to cover the provision for outstanding claims being discounted	2	Expected income from assets included in column 2	3	Yield %	4	Technical provisions	5	Provision for outstanding claims being discounted		7	Unwind in the discount in the next financial year	8	GL	Rates of interest at which the provision is being discounted			11			
												Before deduction for discounting	6					10917	155	9		Highest	Lowest	Average rate
			45957	45957	45957	336	3	0.7	4	7046	5	15936	6	10917	7	155	4.0	4.0	4.0	11				
Other currencies																								
Total			45957	45957	45957					7046		15936		10917		155								

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

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2014

Company registration number 2258947
GL/UK/CM
day month year 31 12 2014
Units £000

R30	Company registration number	GL/UK/CM	day month year			Units
			31	12	2014	
Type of asset	Value of admissible assets as shown on Form 13 1	Admissible assets hypothecated to cover the provision for outstanding claims being discounted 2	Expected income from assets included in column 2 3	Yield % 4		
Land and buildings						
Fixed interest securities	Approved securities					
	Other					
Variable interest and variable yield securities (excluding items shown at line 36)	Approved securities					
	Other					
Equity shares and holdings in collective investment schemes	45539	45539	336	0.7		
Loans secured by mortgages						
All other assets	Producing income					
	Not producing income	419	419			
Total	45957	45957	336	0.7		

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

Name of insurer **Churchill Insurance Company Limited**

Currency **British Pound**

Global business

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

Financial year ended **31 December 2014**

Private motor - comprehensive

Accident year ended	Company registration number		GL/UK/CM		day month year			Monetary units	Category number	Currency code	Reporting territory code			
	R32	2258947	GL	31 12 2014	000	121	GBP					AA		
Month	Year	Number of claims		Gross claims paid		Gross claims outstanding brought forward		Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %			
		Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported					Reported	Incurred but not reported	
		1	2	3	4	5	6	7	8	9	10	11	12	13
12	2014													
12	2013													
12	2012													
12	2011													
12	2010													
12	2009													
12	2008													
12	2007													
12	2006													
12	2005													
Prior accident years						519	88365	22137	24309				(1517)	
Total (11 to 21)						519	88365	22137	24309				(1517)	
Line 29 expressed in sterling						519	88365	22137	24309				(1517)	

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 **United Kingdom other than home foreign**

Financial year ended **31 December 2014**

Private motor - non-comprehensive

Accident year ended	Company registration number		GL/UK/CM		day month year			Monetary units	Category number	Currency code	Reporting territory code				
	R32	2258947	GL	31	12	2014	000	122	GBP	AA					
Month	Year	Gross claims outstanding brought forward		Gross claims carried forward		Gross claims paid		Number of claims	Gross claims outstanding		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %	Vehicle years (000's)	Claims frequency %
		Reported	Incurred but not reported	Reported	Incurred but not reported	In this financial year	In previous financial years		Reported	Incurred but not reported					
1	2	3	4	5	6	7	8	9	10	11	12	13			
12	2014	11													
12	2013	12													
12	2012	13													
12	2011	14													
12	2010	15													
12	2009	16													
12	2008	17													
12	2007	18													
12	2006	19													
12	2005	20													
Prior accident years		21		29875	8278	30495	8801	763							
Total (11 to 21)		29		29875	8278	30495	8801	763							
Line 29 expressed in sterling		30		29875	8278	30495	8801	763							

Statement in accordance with the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2014**

0101 Modification to the Return

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

0301 - Reconciliation of Net Admissible Assets to Available Capital Resources

	2014	2013
	£'000	£'000
Form 13 line 89	82,375	83,949
Form 15 line 69	(45,362)	(46,888)
	<hr/>	<hr/>
	37,013	37,061
Total capital resources after deductions (Form 3 line 79)	37,013	37,061

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

	2014
	£'000
Form 3 col 3 line 12 (Reserves c/f)	37,012
Form 3 col 4 line 12 (Reserves b/f)	(37,063)
	<hr/>
Movement in Reserves	(51)
Movement in AFS Reserves	4
	<hr/>
	(47)
Form 16 Line 59 - Loss For The Financial Year	<hr/> <hr/>
	(47)

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

Churchill Insurance Limited have Periodical Payment Order (PPO) liabilities which are awards made under the terms of the Court Act 2003. These awards involve a series of payments at fixed intervals, guaranteed for a fixed number of years or the lifetime of one or more individuals. The PPO liabilities included in the technical provisions are either in respect of annuities which have been awarded or reserves which are being held in anticipation of an obligation to pay out future annuities once an order is made by the Courts. The PPO liabilities have been treated as annuities in the PRA return, and therefore no deductions from tier one capital for 'Amounts deducted from technical provisions for discounting' have been entered on row 34 of Form 3.

1104 Discounting

Provisions for claims outstanding at Form 11 line 51 are shown net of discounting for Periodical Payment Order (PPO) liabilities which are awards made under the Courts Act 2003. These awards involve a series of payments at fixed intervals, guaranteed for a fixed number of years or the lifetime of one or more individuals. The PPO liabilities included in the technical provisions are either in respect of annuities which have been awarded or reserves which are being held in anticipation of an obligation to pay out future annuities once an order is made by the Courts. These liabilities have thus been treated as annuities for the purpose of this return.

Statement in accordance with the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2014**

1305 Maximum Counterparty Limits

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

1306 – Exposure to Large Counterparties

The Company had no exposure to large counterparties at the year end.

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

The current tax asset represents the value of the loss which will be surrendered as group relief in return for payment.

1501 – Provision for Reasonably Foreseeable Adverse Variations

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

1502 – Other Than Long Term Business Assets/Liabilities

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

1601 – Basis of Conversion

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

1700 – Derivative Contracts

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

20Ab – Risk categories

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

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

Statement in accordance with the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2014**

20Ae – Facultative Business

There is no facultative reinsurance business included.

20Aj - Authorisation Classes

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

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

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

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

2007 – Particulars of Material Connected Party Transactions

The Company has a group reinsurance arrangement with U K Insurance Ltd, which is a subsidiary of Direct Line Group. However, there were no transactions that occurred during the financial year.

2100 – Premiums or Unearned Premiums

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

2202 – Claims Management Expenses

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

2205 – Unexpired Risk Reserve

In setting an unexpired risk reserve the Company offsets surpluses in one class of business against deficits in other classes within the same business segment on the grounds that all business classes within each business segment are managed together. In setting the reserve investment income is taken into consideration. No provision is required at 31 December 2014.

Statement in accordance with the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2014**

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

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

Private Motor - Comprehensive (121)

Private Motor - Non Comprehensive (122)

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

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

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

The expected average interval between the date of settlement for claims being discounted and the end of the financial year is 50 years on open and settled cases.

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

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

Supplementary Notes to the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2014**

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

Name and address	Connected	Reinsurance premiums (refunds) £'000	Debtor balance (Form 13.75) £'000	Deposit received (Form 15.31) £'000	Reinsurers' share of outstanding claims (Form 13.61) £'000
UK Insurance Ltd The Wharf Neville Street Leeds LS14AZ	Churchill Insurance Company Ltd is a wholly owned subsidiary of U K Insurance Ltd				14,161
AXA Liabilities Managers Switzerland AG Paulstrasse 9 Postfach 357 CH-8400 Winterthur Switzerland	None		402		22,256

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

The company has no major facultative reinsurers

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

The Company has no major cedants

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

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

All major UK reinsurance arrangements are controlled centrally within DLIS and the procurement process is subject to strict governance and sign off procedures that are dependent on the amount of the individual reinsurance purchase. The reinsurance purchase process is also subject to regular internal and external audits.

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

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2014**

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

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

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

It is expressly forbidden to use derivatives for gearing purposes,

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

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

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

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

b) The company did not hold any exercisable derivatives.

c) There are no derivative contracts outstanding at 31 December 2014.

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

i) No derivatives were sold during the year.

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

Statement in accordance with Rule 9.30 – Additional information on Controllers

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2014**

The following persons have been shareholder controllers of the Company during the year ended 31 December 2014;

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2014**

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

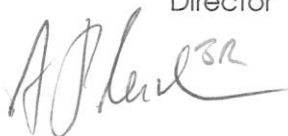
We certify that:

1. the return, comprising Forms 1, 3, 11, 12, 13, 15, 16, 20A, 20, 22, 23, 30 and 32 (including the supplementary notes) and the statements required by rules 9.25, 9.26, 9.27, 9.29, 9.30, 9.32 and 9.32A, has been properly prepared in accordance with the Accounts and Statements Rules set out in part I and part IV of chapter 9 of IPRU(INS), the Interim Prudential Sourcebook for Insurers, GENPRU, the General Prudential Sourcebook and INSPRU, the Prudential Sourcebook for Insurers; and
2. the directors are satisfied that:
 - (i)(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 PRA Handbook as well as the provisions of IPRU(INS), GENPRU and INSPRU;
 - (i)(ii) from the beginning of the financial year until 18 June 2014, the company has complied in all material respects with the requirements of PRIN;
 - (i)(iii) from 19 June 2014 until the end of the financial year, the company has complied in all material respects with the Fundamental Rules; and
 - (ii) it is reasonable to believe that the Company has continued so to comply subsequently, and will continue so to comply in future.

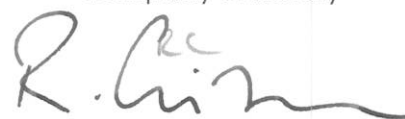
Director



Director



Company secretary



27 March 2015

REGULATORY REPORT: GENERAL INSURER

Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2014

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

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in part I and part IV of chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers, ("the Rules") made by the Prudential Regulation Authority under section 137G of the Financial Services and Markets Act 2000:

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

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

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

Our report is provided to the directors of Churchill Insurance Company Limited in accordance with rule 9.35 of the Interim Prudential Sourcebook for Insurers. We acknowledge that our report will be provided to the PRA for the use of the PRA solely for the purposes set down by statute and the PRA's rules. Our work has been undertaken so that we might state to the insurer's directors those matters we are required to state to them in an auditor's report on an annual PRA return for an insurer and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the PRA, and the insurer, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the insurer and its auditor

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the Forms and the Statements are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

Basis of opinion

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (Revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms and the Statements. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year. It also included an assessment of the significant estimates and judgments made by the insurer in the preparation of the Forms and Statements.

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

Opinion

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



Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom
27 March 2015