Churchill Insurance Company Limited

Annual FSA Insurance Returns for the year ended

31 December 2010

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

Contents

Statement of solvency - general insurance business

Name of insurer	**Churchill Insurance Company Limited**
Global business	
Financial year ended	**31 December 2010**
Solo solvency calculation	

	Company registration number	GL/ UK/ CM	day	month	year	Units
R1	2258947	GL	31	12	2010	£000

		As at end of this financial year 1	As at end of the previous year 2
Capital resources			
Capital resources arising outside the long-term insurance fund	11	693432	704147
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover general insurance business capital resources requirement (11-12)	13	693432	704147
Guarantee fund			
Guarantee fund requirement	21	70295	56737
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	623137	647410
Minimum capital requirement (MCR)			
General insurance capital requirement	31	210886	170211
Base capital resources requirement	33	3040	3128
Individual minimum capital requirement	34	210886	170211
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	210886	170211
Excess (deficiency) of available capital resources to cover 50% of MCR	37	587989	619042
Excess (deficiency) of available capital resources to cover 75% of MCR	38	535267	576489
Capital resources requirement (CRR)			
Capital resources requirement	41	210886	170211
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	482546	533936
Contingent liabilities			
Quantifiable contingent liabilities in respect of other than long-term insurance business as shown in a supplementary note to Form 15	51		

Covering Sheet to Form 1

Name of insurer	**Churchill Insurance Company Limited**
Global business	
Financial year ended	**31 December 2010**

Director

Director

S.K.Hassard Director

Date 22 MARCH 2011

Form 3
(Sheet 1)

Components of capital resources

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	2258947	GL	31	12	2010	£000

		General insurance business 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	509000		509000	509000
Profit and loss account and other reserves	12	271230		271230	311522
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19	780230		780230	820522
Tier one waivers					
Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit Items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				
Other tier one capital					
Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				
Total tier one capital before deductions (19+24+25+26+27+28)	31	780230		780230	820522
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35	86323		86323	84601
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37	86323		86323	84601
Total tier one capital after deductions (31-37)	39	693907		693907	735921

Form 3
(Sheet 2)

Components of capital resources

Name of insurer	**Churchill Insurance Company Limited**
Global business	
Financial year ended	**31 December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	2258947	GL	31	12	2010	£000

		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4
Tier two capital					
Implicit items, (tier two waivers and amounts excluded from line 22)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46				
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49				
Fixed term preference shares	51				
Other tier two instruments	52				
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59				
Total tier two capital before restrictions (49+59)	61				
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69				

Form 3
(Sheet 3)

Components of capital resources

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	2258947	GL	31	12	2010	£000

		General insurance business 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
Total capital resources					
Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72	693907		693907	735921
Inadmissible assets other than intangibles and own shares	73	475		475	30
Assets in excess of market risk and counterparty limits	74				31744
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79	693432		693432	704147
Available capital resources for GENPRU/INSPRU tests					
Available capital resources for guarantee fund requirement	81	693432		693432	704147
Available capital resources for 50% MCR requirement	82	693432		693432	704147
Available capital resources for 75% MCR requirement	83	693432		693432	704147
Financial engineering adjustments					
Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96				

Form 11

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

General insurance business

	Company registration number	GL/ UK/ CM	day	month	year	Units
R11	2258947	GL	31	12	2010	£000

			This financial year 1	Previous year 2
Gross premiums written		11	1102139	1117720
Premiums taxes and levies (included in line 11)		12		
Premiums written net of taxes and levies (11-12)		13	1102139	1117720
Premiums for classes 11, 12 or 13 (included in line 13)		14		
Premiums for "actuarial health insurance" (included in line 13)		15		
Sub-total A (13 + 1/2 14 - 2/3 15)		16	1102139	1117720
Gross premiums earned		21	1126093	1115941
Premium taxes and levies (included in line 21)		22		
Premiums earned net of taxes and levies (21-22)		23	1126093	1115941
Premiums for classes 11, 12 or 13 (included in line 23)		24		
Premiums for "actuarial health insurance" (included in line 23)		25		
Sub-total H (23 + 1/2 24 - 2/3 25)		26	1126093	1115941
Sub-total I (higher of sub-total A and sub-total H)		30	1126093	1117720
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure		31		
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18	32	202697	201190
	Excess (if any) over 57.5M EURO x 0.02	33	21523	21327
Sub-total J (32-33)		34	181174	179863
Claims paid in period of 3 financial years		41	2319967	2344614
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42		
	For insurance business accounted for on an accident year basis	43	1637336	1020653
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis	44		
	For insurance business accounted for on an accident year basis	45	989130	1014419
Sub-total C (41+42+43-44-45)		46	2968173	2350848
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	230119	172990
Sub-total D (46-47)		48	2738054	2177858
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)		49	0.92	0.93
Premiums amount (Sub-total J x reinsurance ratio)		50	167128	166628
Provision for claims outstanding (before discounting and net of reinsurance		51	1135746	939440
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero		52		
Brought forward amount (See instruction 4)		53	170211	170211
Greater of lines 50 and 53		54	170211	170211

Form 12

Calculation of general insurance capital requirement - claims amount and result

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

General insurance business

	Company registration number	GL/ UK/ CM	day	month	year	Units
R12	2258947	GL	31	12	2010	£000

			This financial year 1	Previous year 2
Reference period (No. of months) See INSPRU 1.1.63R		11	36	36
Claims paid in reference period		21	2319967	2344614
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22		
	For insurance business accounted for on an accident year basis	23	1637336	1020653
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	24		
	For insurance business accounted for on an accident year basis	25	989130	1014419
Claims incurred in reference period (21+22+23-24-25)		26	2968173	2350848
Claims incurred for classes 11, 12 or 13 (included in 26)		27		
Claims incurred for "actuarial health insurance" (included in 26)		28		
Sub-total E (26 +1/2 27 - 2/3 28)		29	2968173	2350848
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)		31	989391	783616
Division of sub-total F (gross adjusted claims amount)	x 0.26	32	257242	203740
	Excess (if any) over 40.3M EURO x 0.03	33	28632	22428
Sub-total G (32-33)		39	228610	181312
Claims amount Sub-total G x reinsurance ratio (11.49)		41	210886	167970
Higher of premiums amount and brought forward amount (11.54)		42	170211	170211
General insurance capital requirement (higher of lines 41 and 42)		43	210886	170211

Form 13
(Sheet 1)

Analysis of admissible assets

Name of insurer: **Churchill Insurance Company Limited**

Global business

Financial year ended: **31 December 2010**

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

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
R13	2258947	GL	31	12	2010	£000	1

			As at end of this financial year 1	As at end of the previous year 2
Land and buildings		11	1035	1205
Investments in group undertakings and participating interests				
UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28	7513	44569
Participating interests	Shares	29		
	Debts and loans	30		
Other financial investments				
Equity shares		41		
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43		
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	951297	699730
	Other	46	598001	509313
Variable interest securities	Approved	47		
	Other	48	200003	420065
Participation in investment pools		49		
Loans secured by mortgages		50		
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52		
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	145941	25049
	More than one month withdrawal	55	195778	237910
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Form 13
(Sheet 2)

Analysis of admissible assets

Name of insurer	**Churchill Insurance Company Limited**
Global business	
Financial year ended	**31 December 2010**
Category of assets	**Total other than long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	2258947	GL	31	12	2010	£000	1

			As at end of this financial year 1	As at end of the previous year 2
Reinsurers' share of technical provisions				
Provision for unearned premiums		60	20293	21163
Claims outstanding		61	72542	53590
Provision for unexpired risks		62		
Other		63		
Debtors and salvage				
Direct insurance business	Policyholders	71	257844	268456
	Intermediaries	72	78545	85879
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	7996	10718
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		
	due in more than 12 months	79		
Other assets				
Tangible assets		80		
Deposits not subject to time restriction on withdrawal with approved institutions		81	20784	5813
Cash in hand		82		
Other assets (particulars to be specified by way of supplementary note)		83	28453	23318
Accrued interest and rent		84	292	1374
Deferred acquisition costs (general business only)		85	92250	92729
Other prepayments and accrued income		86	14099	14041
Deductions from the aggregate value of assets		87		
Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)		89	2692665	2514923

Analysis of admissible assets

Name of insurer	**Churchill Insurance Company Limited**
Global business	
Financial year ended	**31 December 2010**
Category of assets	**Total other than long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	2258947	GL	31	12	2010	£000	1

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

		As at end of this financial year 1	As at end of the previous year 2
Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	2692665	2514923
Admissible assets in excess of market and counterparty limits	92		31744
Inadmissible assets directly held	93	475	30
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	2693140	2546697

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Liabilities (other than long term insurance business)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R15	2258947	GL	31	12	2010	£000

			As at end of this financial year 1	As at end of the previous year 2
Technical provisions (gross amount)				
Provisions for unearned premiums		11	530949	554905
Claims outstanding		12	1208288	993030
Provision for unexpired risks		13		
Equalisation provisions	Credit business	14		
	Other than credit business	15	86323	84601
Other technical provisions		16		
Total gross technical provisions (11 to 16)		19	1825560	1632536
Provisions and creditors				
Provisions	Taxation	21	23205	23533
	Other risks and charges	22	14733	17541
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41	120	128
	Reinsurance accepted	42		
	Reinsurance ceded	43	21248	25278
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46	5215	3288
Creditors	Taxation	47		
	Foreseeable dividend	48		
	Other	49	78231	65597
Accruals and deferred income		51	30920	42874
Total (19 to 51)		59	1999233	1810776
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	1999233	1810776

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		

Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83	(86323)	(84601)
Capital and reserves	84	780230	820522
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	2693140	2546697

Form 16

Profit and loss account (non-technical account)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R16	2258947	GL	31	12	2010	£000

			This financial year 1	Previous year 2
Transfer (to)/from the general insurance business technical account	From Form 20	11	(187621)	(70306)
	Equalisation provisions	12	(1722)	(1545)
Transfer from the long term insurance business revenue account		13		
Investment income	Income	14	95454	105531
	Value re-adjustments on investments	15	12972	9024
	Gains on the realisation of investments	16	10173	4289
Investment charges	Investment management charges, including interest	17		
	Value re-adjustments on investments	18		
	Loss on the realisation of investments	19		
Allocated investment return transferred to the general insurance business technical account		20		
Other income and charges (particulars to be specified by way of supplementary note)		21	7308	295
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	(63436)	47287
Tax on profit or loss on ordinary activities		31	(21422)	10856
Profit or loss on ordinary activities after tax (29-31)		39	(42014)	36431
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41		
Tax on extraordinary profit or loss		42		
Other taxes not shown under the preceding items		43		
Profit or loss for the financial year (39+41-(42+43))		49	(42014)	36431
Dividends (paid or foreseeable)		51		
Profit or loss retained for the financial year (49-51)		59	(42014)	36431

Form 20A
(Sheet 1)

General insurance business : Summary of business carried on

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/UK/CM	day	month	year	units
R20A	2258947	GL	31	12	2010	£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
1	Total business	1	1102139	806461	807231	530949
2	Total primary (direct) and facultative business	2	1102139	796328	785115	530949
3	Total treaty reinsurance accepted business	3		10133	22116	
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4	1674	345	507	608
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5	551362	653827	724732	267856
160	Primary (direct) and facultative household and domestic all risks	6	478134	133112	51948	229603
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	70969	9044	7928	32882
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8				
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9				
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10				
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11				
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12				
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13				
350	Total primary (direct) and facultative goods in transit	14				
400	Miscellaneous primary (direct) and facultative business	15				
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16				
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17				
700	Miscellaneous treaty reinsurance accepted business	18		10133	22116	
	Total (lines 4 to 18)	20	1102139	806461	807231	530949

General insurance business : Summary of business carried on

Form 20A
(Sheet 2)

Name of insurer: **Churchill Insurance Company Limited**

Global business

Financial year ended: **31 December 2010**

	Company registration number	GL/UK/CM	day	month	year	units
R20A	2258947	GL	31	12	2010	£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: Reported	Provision for undiscounted gross claims outstanding at the end of this financial year: Incurred but not reported	Provision for gross unearned premium at the end of this financial year
			1	2	3	4
Primary (direct) and facultative personal lines business						
111	Medical insurance	21				
112	HealthCare cash plans	22				
113	Travel	23	1674	345	507	608
114	Personal accident or sickness	24				
121	Private motor - comprehensive	25	493178	540202	683878	239590
122	Private motor - non-comprehensive	26	58184	113157	40354	28266
123	Motor cycle	27		468	500	
160	Household and domestic all risks (equals line 6)	28	478134	133112	51948	229603
181	Assistance	29	18846	211	797	8891
182	Creditor	30				
183	Extended warranty	31				
184	Legal expenses	32	49133	8488	6636	23991
185	Mortgage indemnity	33				
186	Pet insurance	34	2990	346	496	
187	Other personal financial loss	35				
Primary (direct) and facultative commercial lines business						
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

Form 20A
(Sheet 3)

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

	Company registration number	GL/UK/CM	day	month	year	units
R20A	2258947	GL	31	12	2010	£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 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		10133	22116	
	Total (lines 21 to 101)	111	1102139	806461	807231	530949

Form 20

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R20	2258947	GL	31	12	2010	£000	001

Items to be shown net of reinsurance			This financial year 1	Previous year 2
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	1094042	1083360
	Claims incurred (22.17.4)	12	917875	805005
	Claims management costs (22.18.4)	13	34144	29360
	Adjustment for discounting (22.52.4)	14	70159	
	Increase in provision for unexpired risks (22.19.4)	15		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16		
	Net operating expenses (22.42.4)	17	309001	326733
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(96818)	(77737)
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21		
	Claims incurred (22.13.4)	22	237325	(18316)
	Claims management costs (22.14.4)	23	25070	14086
	Adjustment for discounting (22.51.4)	24	171591	3202
	Other technical income or charges (particulars to be specified by way of supplementary note)	25		
	Net operating expenses (22.41.4)	26		
	Balance (21-22-23+24+25-26)	29	(90803)	7431
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31		
	Other technical income or charges (particulars to be specified by way of supplementary note)	32		
	Total	39		
Balance of all years' underwriting (19+29+39)		49	(187621)	(70306)
Allocated investment income		51		
Transfer to non-technical account (49+51)		59	(187621)	(70306)

Form 20

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R20	2258947	GL	31	12	2010	£000	002

Items to be shown net of reinsurance			This financial year 1	Previous year 2
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	1094042	1083360
	Claims incurred (22.17.4)	12	917875	805005
	Claims management costs (22.18.4)	13	34144	29360
	Adjustment for discounting (22.52.4)	14	70159	
	Increase in provision for unexpired risks (22.19.4)	15		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16		
	Net operating expenses (22.42.4)	17	309001	326733
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(96818)	(77737)
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21		
	Claims incurred (22.13.4)	22	229406	(17243)
	Claims management costs (22.14.4)	23	24651	13949
	Adjustment for discounting (22.51.4)	24	171591	3202
	Other technical income or charges (particulars to be specified by way of supplementary note)	25		
	Net operating expenses (22.41.4)	26		
	Balance (21-22-23+24+25-26)	29	(82466)	6496
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31		
	Other technical income or charges (particulars to be specified by way of supplementary note)	32		
	Total	39		
Balance of all years' underwriting (19+29+39)		49	(179283)	(71242)
Allocated investment income		51		
Transfer to non-technical account (49+51)		59	(179283)	(71242)

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total treaty reinsurance accepted business

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category number
R20	2258947	GL	31	12	2010	£000	003

Items to be shown net of reinsurance			This financial year 1	Previous year 2
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11		
	Claims incurred (22.17.4)	12		
	Claims management costs (22.18.4)	13		
	Adjustment for discounting (22.52.4)	14		
	Increase in provision for unexpired risks (22.19.4)	15		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16		
	Net operating expenses (22.42.4)	17		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21		
	Claims incurred (22.13.4)	22	7919	(1073)
	Claims management costs (22.14.4)	23	419	138
	Adjustment for discounting (22.51.4)	24		
	Other technical income or charges (particulars to be specified by way of supplementary note)	25		
	Net operating expenses (22.41.4)	26		
	Balance (21-22-23+24+25-26)	29	(8338)	936
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31		
	Other technical income or charges (particulars to be specified by way of supplementary note)	32		
	Total	39		
Balance of all years' underwriting (19+29+39)		49	(8338)	936
Allocated investment income		51		
Transfer to non-technical account (49+51)		59	(8338)	936

Form 20

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative personal lines motor business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R20	2258947	GL	31	12	2010	£000	120

Items to be shown net of reinsurance			This financial year 1	Previous year 2
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	566891	585051
	Claims incurred (22.17.4)	12	639490	561223
	Claims management costs (22.18.4)	13	24169	20391
	Adjustment for discounting (22.52.4)	14	70159	
	Increase in provision for unexpired risks (22.19.4)	15		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16		
	Net operating expenses (22.42.4)	17	103236	114917
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(129844)	(111479)
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21		
	Claims incurred (22.13.4)	22	264024	27346
	Claims management costs (22.14.4)	23	18449	7747
	Adjustment for discounting (22.51.4)	24	171591	3202
	Other technical income or charges (particulars to be specified by way of supplementary note)	25		
	Net operating expenses (22.41.4)	26		
	Balance (21-22-23+24+25-26)	29	(110881)	(31892)
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31		
	Other technical income or charges (particulars to be specified by way of supplementary note)	32		
	Total	39		
Balance of all years' underwriting (19+29+39)		49	(240726)	(143371)
Allocated investment income		51		
Transfer to non-technical account (49+51)		59	(240726)	(143371)

Form 20

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Primary (direct) and facultative household and domestic all risks

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R20	2258947	GL	31	12	2010	£000	160

Items to be shown net of reinsurance			This financial year 1	Previous year 2
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	451883	459353
	Claims incurred (22.17.4)	12	263148	229739
	Claims management costs (22.18.4)	13	9368	8565
	Adjustment for discounting (22.52.4)	14		
	Increase in provision for unexpired risks (22.19.4)	15		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16		
	Net operating expenses (22.42.4)	17	181619	189228
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(2251)	31821
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21		
	Claims incurred (22.13.4)	22	(29036)	(32837)
	Claims management costs (22.14.4)	23	5638	6495
	Adjustment for discounting (22.51.4)	24		
	Other technical income or charges (particulars to be specified by way of supplementary note)	25		
	Net operating expenses (22.41.4)	26		
	Balance (21-22-23+24+25-26)	29	23399	26342
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31		
	Other technical income or charges (particulars to be specified by way of supplementary note)	32		
	Total	39		
Balance of all years' underwriting (19+29+39)		49	21148	58163
Allocated investment income		51		
Transfer to non-technical account (49+51)		59	21148	58163

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

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

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category number
R20	2258947	GL	31	12	2010	£000	180

Items to be shown net of reinsurance			This financial year 1	Previous year 2
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	73402	37085
	Claims incurred (22.17.4)	12	13518	12704
	Claims management costs (22.18.4)	13	541	364
	Adjustment for discounting (22.52.4)	14		
	Increase in provision for unexpired risks (22.19.4)	15		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16		
	Net operating expenses (22.42.4)	17	23776	21890
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	35567	2128
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21		
	Claims incurred (22.13.4)	22	(5132)	(11511)
	Claims management costs (22.14.4)	23	547	(311)
	Adjustment for discounting (22.51.4)	24		
	Other technical income or charges (particulars to be specified by way of supplementary note)	25		
	Net operating expenses (22.41.4)	26		
	Balance (21-22-23+24+25-26)	29	4585	11822
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31		
	Other technical income or charges (particulars to be specified by way of supplementary note)	32		
	Total	39		
Balance of all years' underwriting (19+29+39)		49	40152	13950
Allocated investment income		51		
Transfer to non-technical account (49+51)		59	40152	13950

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all primary (direct) and facultative business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R20	2258947	GL	31	12	2010	£000	409

Items to be shown net of reinsurance			This financial year 1	Previous year 2
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11	1865	1871
	Claims incurred (22.17.4)	12	1719	1338
	Claims management costs (22.18.4)	13	66	41
	Adjustment for discounting (22.52.4)	14		
	Increase in provision for unexpired risks (22.19.4)	15		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16		
	Net operating expenses (22.42.4)	17	370	698
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(290)	(207)
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21		
	Claims incurred (22.13.4)	22	(450)	(241)
	Claims management costs (22.14.4)	23	18	18
	Adjustment for discounting (22.51.4)	24		
	Other technical income or charges (particulars to be specified by way of supplementary note)	25		
	Net operating expenses (22.41.4)	26		
	Balance (21-22-23+24+25-26)	29	432	223
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31		
	Other technical income or charges (particulars to be specified by way of supplementary note)	32		
	Total	39		
Balance of all years' underwriting (19+29+39)		49	143	16
Allocated investment income		51		
Transfer to non-technical account (49+51)		59	143	16

Form 20

General insurance business : Technical account (excluding equalisation provisions)

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all treaty reinsurance accepted business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R20	2258947	GL	31	12	2010	£000	709

Items to be shown net of reinsurance			This financial year 1	Previous year 2
This year's underwriting (accident year accounting)	Earned premium (21.19.5)	11		
	Claims incurred (22.17.4)	12		
	Claims management costs (22.18.4)	13		
	Adjustment for discounting (22.52.4)	14		
	Increase in provision for unexpired risks (22.19.4)	15		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16		
	Net operating expenses (22.42.4)	17		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19		
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21		
	Claims incurred (22.13.4)	22	7919	(1073)
	Claims management costs (22.14.4)	23	419	138
	Adjustment for discounting (22.51.4)	24		
	Other technical income or charges (particulars to be specified by way of supplementary note)	25		
	Net operating expenses (22.41.4)	26		
	Balance (21-22-23+24+25-26)	29	(8338)	936
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31		
	Other technical income or charges (particulars to be specified by way of supplementary note)	32		
	Total	39		
Balance of all years' underwriting (19+29+39)		49	(8338)	936
Allocated investment income		51		
Transfer to non-technical account (49+51)		59	(8338)	936

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

Name of insurer	**Churchill Insurance Company Limited**
Global business	
Financial year ended	**31 December 2010**

Total business

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category number
R21	2258947	GL	31	12	2010	£000	001

			Gross premiums written		Reinsurers' share		Net of reinsurance	
Premiums receivable during the financial year			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
In respect of risks incepted in previous financial years		12						
In respect of risks incepted in this financial year	For periods of less than 12 months	13	330	170	4		326	170
	For periods of 12 months	14	570860	530779	10885	20293	559975	510486
	For periods of more than 12 months	15						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	554904		21163		533742	
Total (12 to 16)		19	1126094	530949	32052	20293	1094043	510657

Form 21

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R21	2258947	GL	31	12	2010	£000	002

			Gross premiums written		Reinsurers' share		Net of reinsurance	
Premiums receivable during the financial year			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
In respect of risks incepted in previous financial years		12						
In respect of risks incepted in this financial year	For periods of less than 12 months	13	330	170	4		326	170
	For periods of 12 months	14	570860	530779	10885	20293	559975	510486
	For periods of more than 12 months	15						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	554904		21163		533742	
Total (12 to 16)		19	1126094	530949	32052	20293	1094043	510657

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative personal lines motor business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R21	2258947	GL	31	12	2010	£000	120

			Gross premiums written		Reinsurers' share		Net of reinsurance	
Premiums receivable during the financial year			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
In respect of risks incepted in previous financial years		12						
In respect of risks incepted in this financial year	For periods of less than 12 months	13						
	For periods of 12 months	14	283506	267856	1842	1391	281664	266465
	For periods of more than 12 months	15						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	289377		4150		285227	
Total (12 to 16)		19	572884	267856	5992	1391	566891	266465

Form 21

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Primary (direct) and facultative household and domestic all risks

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category number
R21	2258947	GL	31	12	2010	£000	160

			Gross premiums written		Reinsurers' share		Net of reinsurance	
Premiums receivable during the financial year			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
In respect of risks incepted in previous financial years		12						
In respect of risks incepted in this financial year	For periods of less than 12 months	13						
	For periods of 12 months	14	248531	229603	9048	18902	239483	210701
	For periods of more than 12 months	15						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	229412		17012		212400	
Total (12 to 16)		19	477943	229603	26060	18902	451883	210701

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

Name of insurer Churchill Insurance Company Limited

Global business

Financial year ended 31 December 2010

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

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category number
R21	2258947	GL	31	12	2010	£000	180

Premiums receivable during the financial year			Gross premiums written		Reinsurers' share		Net of reinsurance	
			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
In respect of risks incepted in previous financial years		12						
In respect of risks incepted in this financial year	For periods of less than 12 months	13						
	For periods of 12 months	14	38087	32882	1		38086	32882
	For periods of more than 12 months	15						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	35316				35316	
Total (12 to 16)		19	73403	32882	1		73402	32882

Form 21

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all primary (direct) and facultative business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R21	2258947	GL	31	12	2010	£000	409

			Gross premiums written		Reinsurers' share		Net of reinsurance	
Premiums receivable during the financial year			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5	
In respect of risks incepted in previous financial years		11						
			Earned in this financial year 1	Unearned at end of this financial year 2	Earned in this financial year 3	Unearned at end of this financial year 4	Earned in this financial year 5	Unearned at end of this financial year 6
In respect of risks incepted in previous financial years		12						
In respect of risks incepted in this financial year	For periods of less than 12 months	13	330	170	4		326	170
	For periods of 12 months	14	736	438	(5)		741	438
	For periods of more than 12 months	15						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	799				799	
Total (12 to 16)		19	1865	608	(1)		1865	608

Form 22

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R22	2258947	GL	31	12	2010	£000	001

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

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R22	2258947	GL	31	12	2010	£000	002

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

Form 22

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total treaty reinsurance accepted business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R22	2258947	GL	31	12	2010	£000	003

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

Form 22

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative personal lines motor business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R22	2258947	GL	31	12	2010	£000	120

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

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Primary (direct) and facultative household and domestic all risks

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category number
R22	2258947	GL	31	12	2010	£000	160

			Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2	Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	160806	86454	44884	(29468)
	Reinsurers' share	12	3218	536	2250	(432)
	Net (11-12)	13	157588	85918	42634	(29036)
	Claims management costs	14	1140	6256	521	5638
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		122972	140176	263148
	Reinsurers' share	16				
	Net (15-16)	17		122972	140176	263148
	Claims management costs	18		8898	470	9368
Provision for unexpired risks		19				
Net operating expenses	Commissions	21	48994	128482	53495	123981
	Other acquisition expenses	22	12737	26530	13024	26243
	Administrative expenses	23		31395		31395
	Reinsurance commissions and profit participations	24				
	Total (21+22+23-24)	29	61731	186407	66520	181619
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31				
	Reinsurers' share	32				
	Claims management costs	33				
	Total (31-32+33)	39				
Split of line 29	Prior financial years	41				
	This financial year	42	61731	186407	66520	181619
Split of line 39	Incidents occurring prior to this financial year	51				
	Incidents occurring in this financial year	52				

Form 22

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

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

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category number
R22	2258947	GL	31	12	2010	£000	180

			Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2	Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	23612	7682	10798	(5132)
	Reinsurers' share	12				
	Net (11-12)	13	23612	7682	10798	(5132)
	Claims management costs	14	23	556	14	547
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		7344	6174	13518
	Reinsurers' share	16				
	Net (15-16)	17		7344	6174	13518
	Claims management costs	18		531	10	541
Provision for unexpired risks		19				
Net operating expenses	Commissions	21	1050	756	800	1006
	Other acquisition expenses	22	619	1739	449	1909
	Administrative expenses	23		20861		20861
	Reinsurance commissions and profit participations	24				
	Total (21+22+23-24)	29	1669	23356	1249	23776
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31				
	Reinsurers' share	32				
	Claims management costs	33				
	Total (31-32+33)	39				
Split of line 29	Prior financial years	41				
	This financial year	42	1669	23356	1249	23776
Split of line 39	Incidents occurring prior to this financial year	51				
	Incidents occurring in this financial year	52				

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all primary (direct) and facultative business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R22	2258947	GL	31	12	2010	£000	409

			Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2	Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	735	246	38	(450)
	Reinsurers' share	12				
	Net (11-12)	13	735	246	38	(450)
	Claims management costs	14		18		18
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		906	813	1719
	Reinsurers' share	16		64	(64)	
	Net (15-16)	17		842	877	1719
	Claims management costs	18		66		66
Provision for unexpired risks		19				
Net operating expenses	Commissions	21				
	Other acquisition expenses	22	137	103	9	231
	Administrative expenses	23		140		140
	Reinsurance commissions and profit participations	24				
	Total (21+22+23-24)	29	137	242	9	370
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31				
	Reinsurers' share	32				
	Claims management costs	33				
	Total (31-32+33)	39				
Split of line 29	Prior financial years	41				
	This financial year	42	137	242	9	370
Split of line 39	Incidents occurring prior to this financial year	51				
	Incidents occurring in this financial year	52				

Form 22

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

Name of company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all treaty reinsurance accepted business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R22	2258947	GL	31	12	2010	£000	709

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

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total business

	Company registration number	GL/UK/CM	day month year			Units	Category number
R23	2258947	GL	31	12	2010	£000	001

Accident year ended: Month	Year		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward: Reported (net)	Claims outstanding carried forward: Incurred but not reported (net)	Claims outstanding brought forward: Reported (net)	Claims outstanding brought forward: Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11				366950	278444	272482			917875	70159	1094042		83.9
12	2009	12	373459	431546		215234	183084	142561	295070	136476	109332	64790	1083360	25.3	84.4
12	2008	13	333148	342048	188256	50796	78362	75511	126262	42958	35449	36018	1076476	14.9	67.4
12	2007	14	283889	432551	303325	32909	66529	31394	84493	24722	21618	16079	945659	0.4	75.9
12	2006	15	294054	347949	202601	26508	37435	25888	61961	13883	13988	12328	932277	(16.0)	62.9
12	2005	16	328153	350329	226691	16686	25779	18704	40809	5960	14401	12125	955068	(17.8)	64.5
12	2004	17	321943	213495	221068	6891	26610	18612	30732	5988	15393	13107	980870	28.0	60.7
12	2003	18	319796	351579	256364	3247	17334	7920	8284	9272	10944	12298	944862	(19.0)	64.0
12	2002	19	419804	294237	281419	1142	4284	7447	6811	5140	921	1635	1120787	0.0	63.7
12	2001	20	201070	169448	338673	584	8713	7594	7541	14104	(4754)	3617	789903	109.8	70.5
Prior accident years		21				2877	7954	14413	4238	972	20033	2796			
Reconciliation		22													
Total (11 to 22)		29				723824	734529	622525	666201	259475	1155202	244952			

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R23	2258947	GL	31	12	2010	£000	002

Accident year ended Month	Year		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward Reported (net)	Claims outstanding carried forward Incurred but not reported (net)	Claims outstanding brought forward Reported (net)	Claims outstanding brought forward Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11				366950	278444	272482			917875	70159	1094042		83.9
12	2009	12	373459	431546		215234	183084	142561	295070	136476	109332	64790	1083360	25.3	84.4
12	2008	13	333148	342048	188256	50796	78362	75511	126262	42958	35449	36018	1076476	14.9	67.4
12	2007	14	283889	432551	303325	32909	66529	31394	84493	24722	21618	16079	945659	0.4	75.9
12	2006	15	294054	347949	202601	26508	37435	25888	61961	13883	13988	12328	932277	(16.0)	62.9
12	2005	16	328153	350329	226691	16686	25779	18704	40809	5960	14401	12125	955068	(17.8)	64.5
12	2004	17	321943	213495	221082	6881	25398	17624	29506	4367	16030	13107	980870	26.9	60.4
12	2003	18	272711	327450	235904	3170	16599	4585	7469	5288	11598	12298	832043	(20.5)	64.1
12	2002	19	269859	195182	190583	251	3932	4634	5877	2161	778	1635	769345	2.2	61.0
12	2001	20	201070	169448	153830	277	8185	5416	3372	612	9893	3617	532266	(1.0)	69.3
Prior accident years		21				(727)	649	1609	4238	972	(3680)	2796			
Reconciliation		22													
Total (11 to 22)		29				718935	724396	600409	659058	237399	1147282	244952			

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total treaty reinsurance accepted business

	Company registration number	GL/UK/CM	day month year			Units	Category number
R23	2258947	GL	31	12	2010	£000	003

Accident year ended			Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward		Claims outstanding brought forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
Month	Year						Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)					
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11													
12	2009	12													
12	2008	13													
12	2007	14													
12	2006	15													
12	2005	16													
12	2004	17			6	11	1212	987	1226	1621	(637)				
12	2003	18	47085	24129	20460	76	735	3335	815	3985	(653)		112819	2.0	63.5
12	2002	19	149945	99055	90836	891	352	2812	934	2978	143		351442	(4.2)	69.7
12	2001	20			184843	307	528	2178	4169	13492	(14647)		257637		72.9
Prior accident years		21				3604	7305	12804			23713				
Reconciliation		22													
Total (11 to 22)		29				4890	10133	22116	7143	22076	7919				

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Total primary (direct) and facultative personal lines motor business

	Company registration number	GL/UK/CM	day	month	year	Units	Category number
R23	2258947	GL	31	12	2010	£000	120

Accident year ended Month	Accident year ended Year		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward: Reported (net)	Claims outstanding carried forward: Incurred but not reported (net)	Claims outstanding brought forward: Reported (net)	Claims outstanding brought forward: Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11				235792	178652	225046			639490	70159	566891		112.8
12	2009	12	238710	322512		143661	164347	135729	218805	103707	121226	64790	585051	37.6	116.6
12	2008	13	208018	232121	122909	41289	71584	72442	109726	36818	38772	36018	548461	32.8	94.1
12	2007	14	154618	250339	166761	27360	60094	30383	73440	18378	26019	16079	480084	13.7	91.5
12	2006	15	184530	231657	126794	22374	32663	24868	52656	7137	20112	12328	472887	(10.8)	82.7
12	2005	16	184091	240763	143367	14697	23774	18367	36447	3014	17377	12125	495629	(16.8)	77.5
12	2004	17	192861	96533	145896	6286	24856	17295	28095	3128	17214	13107	524823	101.3	73.8
12	2003	18	176014	210103	145610	2663	15534	4269	5650	1324	15492	12298	479299	(20.0)	71.8
12	2002	19	175533	133704	130211	349	3808	4631	5495	1841	1452	1635	487900	4.0	64.5
12	2001	20	160511	132465	117592	269	8129	5380	3265	554	9959	3617	382494	(0.8)	76.3
Prior accident years		21				(810)	649	1606	4082	960	(3598)	2796			
Reconciliation		22													
Total (11 to 22)		29				493930	584090	540017	537661	176862	903514	244952			

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Primary (direct) and facultative household and domestic all risks

	Company registration number	GL/UK/CM	day month year			Units	Category number
R23	2258947	GL	31	12	2010	£000	160

Accident year ended: Month	Accident year ended: Year		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward: Reported (net)	Claims outstanding carried forward: Incurred but not reported (net)	Claims outstanding brought forward: Reported (net)	Claims outstanding brought forward: Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11				122973	97447	42729			263148		451883		58.2
12	2009	12	128558	101182		68579	16629	4483	73342	27839	(11490)		459353	(11.4)	47.5
12	2008	13	117366	104229	65637	7786	5047	2209	13428	3287	(1673)		449419	(22.6)	44.1
12	2007	14	125358	178455	135666	3993	4778	596	7967	4682	(3282)		397386	(18.7)	68.0
12	2006	15	103534	115583	73471	3021	3567	867	5868	5985	(4398)		399946	(30.0)	46.1
12	2005	16	139605	108821	83128	1479	1689	332	3131	2683	(2314)		411968	(20.4)	54.9
12	2004	17	128638	116307	75068	577	524	328	1383	1209	(1162)		429009	(34.2)	47.8
12	2003	18	96694	117155	90211	491	1059	314	1801	3962	(3898)		332663	(21.4)	56.7
12	2002	19	94122	61296	60248	(98)	121	1	378	319	(674)		262431	(1.7)	58.8
12	2001	20	40538	36799	36034	8	55	32	106	58	(69)		133798	(1.8)	57.3
Prior accident years		21				82	0	2	154	6	(76)				
Reconciliation		22													
Total (11 to 22)		29				208891	130917	51893	107558	50031	234112				

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

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

	Company registration number	GL/UK/CM	day month year			Units	Category number
R23	2258947	GL	31	12	2010	£000	180

Accident year ended: Month	Accident year ended: Year		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward: Reported (net)	Claims outstanding carried forward: Incurred but not reported (net)	Claims outstanding brought forward: Reported (net)	Claims outstanding brought forward: Incurred but not reported (net)	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11				7344	2024	4150			13518		73402		18.4
12	2009	12	5543	7161		2741	2099	2335	2700	4461	14		37065	0.2	34.3
12	2008	13	7181	5356	(545)	1724	1730	859	3094	2823	(1604)		76796	(29.6)	14.3
12	2007	14	3852	3647	791	1559	1655	416	3086	1661	(1118)		67900	21.2	12.2
12	2006	15	5990	709	2337	1113	1205	154	3436	761	(1725)		59444	578.2	18.2
12	2005	16	4457	745	196	511	305	5	1231	263	(674)		47471	36.4	11.5
12	2004	17	444	655	99	18	16	1	29	30	(24)		27038	(79.6)	2.1
12	2003	18	3	192	84	16	6	2	19	1	4		20081	(43.8)	0.6
12	2002	19	204	182	124	0	3	3	4	2	(0)		19014	(28.2)	1.8
12	2001	20	21	184	204	0	0	4	1	0	3		15974	13.2	1.4
Prior accident years		21				0	0	1	2	6	(7)				
Reconciliation		22													
Total (11 to 22)		29				15026	9044	7928	13603	10008	8387				

Form 23

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all primary (direct) and facultative business

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

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

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

Balance of all treaty reinsurance accepted business

	Company registration number	GL/UK/CM	day month year	Units	Category number
R23	2258947	GL	31 12 2010	£000	709

Accident year ended Month	Year		Claims paid (net) during the accident year 1	Claims outstanding (net) as at end of the accident year 2	Total claims paid (net) since the end of the accident year, but prior to this financial year 3	Claims paid (net) during this financial year 4	Claims outstanding carried forward: Reported (net) 5	Claims outstanding carried forward: Incurred but not reported (net) 6	Claims outstanding brought forward: Reported (net) 7	Claims outstanding brought forward: Incurred but not reported (net) 8	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8) 9	Deduction for discounting from claims outstanding carried forward (net) 10	Earned premiums (net) 11	Deterioration/ (surplus) of original claims reserve % 12	Claims ratio % 13
12	2010	11													
12	2009	12													
12	2008	13													
12	2007	14													
12	2006	15													
12	2005	16													
12	2004	17			6	11	1212	987	1226	1621	(637)				
12	2003	18	47085	24129	20460	76	735	3335	815	3985	(653)		112819	2.0	63.5
12	2002	19	149945	99055	90836	891	352	2812	934	2978	143		351442	(4.2)	69.7
12	2001	20			184843	307	528	2178	4169	13492	(14647)		257637		72.9
Prior accident years		21				3604	7305	12804			23713				
Reconciliation		22													
Total (11 to 22)		29				4890	10133	22116	7143	22076	7919				

Form 30
(Sheet 1)

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/UK/CM	day	month	year	Units
R30	2258947	GL	31	12	2010	£000

	Reporting territory code		Total admissible assets as shown on Form 13	Admissible assets hypothecated to cover the provision for outstanding claims being discounted	Expected income from assets included in column 2	Yield %	Technical provisions	Provision for outstanding claims being discounted		Unwind in the discount in the next financial year	Rates of interest at which the provision is being discounted		
Major currencies								Before deduction for discounting	Deduction for discounting		Highest	Lowest	Average rate
			1	2	3	4	5	6	7	8	9	10	11
	AA	11	2507580	2507580	75170	3.0	1646402	375737	244952	5349	4.5	4.5	4.5
		12											
		13											
		14											
		15											
		16											
		17											
		18											
		19											
		20											
Other currencies		21											
Total		29	2507580	2507580			1646402	375737	244952	5349			

Form 30
(Sheet 2)

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

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/UK/CM	day	month	year	Units
R30	2258947	GL	31	12	2010	£000

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

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

Name of insurer **Churchill Insurance Company Limited** Currency **British Pound**

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

Financial year ended **31 December 2010**

Primary (direct) and facultative household and domestic all risks

	Company registration number	GL/UK/CM	day	month	year	Monetary units	Category number	Currency code	Reporting territory code
R31	2258947	GL	31	12	2010	000	160	GBP	AA

Accident year ended: Month	Accident year ended: Year		Number of claims: Closed at some cost during this or previous financial years	Number of claims: Reported claims outstanding	Gross claims paid: In previous financial years	Gross claims paid: In this financial year	Gross claims outstanding carried forward: Reported	Gross claims outstanding carried forward: Incurred but not reported	Gross claims outstanding brought forward: Reported	Gross claims outstanding brought forward: Incurred but not reported	Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
			1	2	3	4	5	6	7	8	9	10	11
12	2010	11	91649	40466		122973	97437	42739			263149	477943	55.1
12	2009	12	124163	2838	128558	68579	16639	4493	73342	27839	(11470)	485346	45.0
12	2008	13	134925	678	183001	7786	6661	2219	15012	3287	(1633)	481423	41.5
12	2007	14	170315	376	342792	4290	4831	607	8878	4682	(3832)	502799	70.1
12	2006	15	176380	228	227458	3046	3567	872	5878	5985	(4377)	535687	43.9
12	2005	16	371421	2706	274457	1434	1689	334	3131	2683	(2357)	547454	50.8
12	2004	17	254227	2031	257560	577	524	329	1383	1209	(1162)	561956	46.1
12	2003	18	194989	711	240977	681	1526	317	2365	3962	(3803)	443121	55.0
12	2002	19	147792	294	154901	(5)	181	1	521	319	(664)	262425	59.1
12	2001	20	73269	130	77123	(16)	56	37	112	58	(93)	144200	53.5
Prior accident years		21		97		82	1	0	154	6	(77)		
Total (11 to 21)		29		50555		209426	133112	51948	110775	50030	233681		
Line 29 expressed in sterling		30				209426	133112	51948	110775	50030	233681		

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

Name of insurer **Churchill Insurance Company Limited** Currency **British Pound**

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

Financial year ended **31 December 2010**

Private motor - comprehensive

	Company registration number	GL/UK/CM	day	month	year	Monetary units	Category number	Currency code	Reporting territory code
R32	2258947	GL	31	12	2010	000	121	GBP	AA

Accident year ended: Month	Accident year ended: Year		Number of claims: Closed at some cost during this or previous years	Number of claims: Reported claims outstanding	Gross claims paid: In previous financial years	Gross claims paid: In this financial year	Gross claims outstanding carried forward: Reported	Gross claims outstanding carried forward: Incurred but not reported	Gross claims outstanding brought forward: Reported	Gross claims outstanding brought forward: Incurred but not reported	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 %
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11	168598	64592		222149	156747	220904			599801	512429	117.1	1687	13.8
12	2009	12	229194	14284	220431	121305	136528	141575	186941	84697	127771	529196	117.1	1758	13.8
12	2008	13	218675	4254	298446	34612	64856	81873	97687	28529	55125	494833	97.0	1637	13.6
12	2007	14	250062	1983	354336	22138	59640	55746	68940	15808	52776	516801	95.2	1714	14.7
12	2006	15	262088	750	357702	15810	24267	37556	36969	6674	33990	530457	82.1	1752	15.0
12	2005	16	416584	440	362235	12415	27207	31089	33699	3223	33789	546640	79.2	1769	23.6
12	2004	17	343155	170	382139	4449	18373	24881	20616	2496	24591	585883	73.4	1791	19.2
12	2003	18	272289	74	364336	2697	14639	6881	4897	1290	18030	521787	74.5	1698	16.0
12	2002	19	211180	40	299934	322	8647	20876	8019	1877	19948	398615	82.7	1288	16.4
12	2001	20	188603	22	253750	349	357	50889	1367	148	50080	335635	91.0	1146	16.5
Prior accident years		21		22		(1890)	28940	11608	27952	159	10547				
Total (11 to 21)		29		86631		434355	540202	683878	487087	144901	1026447				
Line 29 expressed in sterling		30				434355	540202	683878	487087	144901	1026447				

Form 32

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 2010**

Private motor - non-comprehensive

Company registration number	GL/UK/CM	day	month	year	Monetary units	Category number	Currency code	Reporting territory code
R32 2258947	GL	31	12	2010	000	122	GBP	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)	Claims frequency %
Month	Year		Closed at some cost during this or previous years	Reported claims outstanding	In previous financial years	In this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported					
			1	2	3	4	5	6	7	8	9	10	11	12	13
12	2010	11	3380	4309		13642	21905	17041			52588	60455	87.0	136	5.6
12	2009	12	9574	1932	18258	22356	27819	10359	32207	23730	4597	62433	126.2	192	6.0
12	2008	13	9702	625	32480	6677	6931	2747	12463	11325	(7433)	60535	80.7	188	5.5
12	2007	14	12408	382	43969	5223	7853	2140	9959	5752	(495)	64502	91.8	217	5.9
12	2006	15	14684	162	51578	6923	8989	2514	16602	3428	(1604)	77062	90.8	260	5.7
12	2005	16	26480	93	57258	2290	2343	321	4659	390	(96)	90469	68.8	312	8.5
12	2004	17	29352	48	69933	1881	5965	1857	7168	609	1927	105832	75.2	335	8.8
12	2003	18	24727	20	66762	275	1104	463	1387	192	263	116875	58.7	348	7.1
12	2002	19	20196	18	53787	486	5321	871	5601	327	751	89286	67.7	287	7.0
12	2001	20	16362	4	43109	127	10780	1236	10908	747	490	73171	75.5	239	6.8
Prior accident years		21		8		1256	14147	804	8081	829	7297				
Total (11 to 21)		29		7601		61138	113157	40354	109034	47329	58286				
Line 29 expressed in sterling		30				61138	113157	40354	109034	47329	58286				

Form 37

Equalisation provisions

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R37	2258947	GL	31	12	2010	£000

Calculation of the maximum provision		Business grouping A (property) 1	Business grouping B (business interruption) 2	Business grouping C (marine and aviation) 3	Business grouping D (nuclear) 4	Business grouping E (non-proportional treaty) 5	All business groupings 6	Credit insurance business 7
Total net premiums written in the previous 4 years	11	1707891						
Net premiums written in the current year	12	450184						
Maximum provision	13	86323					86323	

Calculation of the transfer to/from the provision

		1	2	3	4	5	6	7
Equalisation provision brought forward	21						84601	
Transfers in	22	13506					13506	
Total abnormal loss	23							
Provisional transfers out	24							
Excess of provisional transfer out over fund available	25							
Provisional amount carried forward (21+22-24+25)	26						98107	
Excess, if any, of 26 over 13	27						11784	
Equalisation provision carried forward (26-27)	28						86323	
Transfer in/(out) for financial year (28-21)	29						1722	

Form 38

Equalisation provisions technical account : Accident year accounting

Name of insurer **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/UK/CM	day	month	year	Units
R38	2258947	GL	31	12	2010	£000

Other than credit business		Business grouping A (property) 1	Business grouping B (business interruption) 2	Business grouping C (marine and aviation) 3	Business grouping D (nuclear) 4	Business grouping E (non-proportional treaty) 5
Net premiums earned	11	451883				
Claims incurred net of reinsurance	12	234461				
Trigger claims value	13	327615				
Abnormal loss	19					
Trigger claims ratio		72.5%	72.5%	95%	25%	100%

Credit business

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

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

Supplementary Notes to the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

0101 Modification to the Return

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

Rule INSPRU 2.1.22R is amended by the addition of the following new subparagraph (7):
"(7) For the purpose of this rule, a group of persons is not closely related by reason of the relationship described in INSPRU 2.1.40R (1) if control is exercised by, or on behalf of, HM Treasury."

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

0301 – Reconciliation of Net Admissible Assets to Available Capital Resources

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

0310 – Net Valuation Differences

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

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

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

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

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

1104 – Discounting

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

1305 – Maximum Counterparty Limits

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

1306 – Exposure to Large Counterparties

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

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

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

	£'000
Current Tax Asset	28,453

1501 – Provision for Reasonably Foreseeable Adverse Variations

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

1502 – Other Than Long Term Business Assets/Liabilities

a) No charge has been made on the assets of the Company to secure the liabilities of any other person.

b) There is no potential capital gains tax liability

c) There are no guarantees, indemnities or other contractual commitments, effected other than in the ordinary course of insurance business, in respect of related companies

d) There are no other contingent liabilities

e) There are no fundamental uncertainties

1507 – Other Adjustment to Liabilities

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

1601 – Basis of Conversion

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

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

Supplementary Notes to the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

1603 – Other Income and Charges

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

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

1700 – Derivative Contracts

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

20Ab – Risk categories

The following risk categories include contracts of insurance against risk of death or injury to passengers:
121 – Private motor comprehensive
122 – Private motor non comprehensive

20Ac –Business Categories included at Form 20a

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

	Gross written Premium	Gross claims outstanding Reported	Incurred but not reported	Provision for gross unearned premium
		£'000	£'000	
Motor	-	8,232	14,008	-
Home	-	1,901	8,108	-
	-	10,133	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(INS) Annex 11.2 Part ii.

20Ag – Gross Premiums Written Attributable to Overseas Countries

All gross premiums written are attributable to the UK.

2007 – Particulars of Material Connected Party Transactions

i. The Company has entered into banking arrangements with The Royal Bank of Scotland Group plc. The exposure to the Royal Bank of Scotland plc is detailed in Note 1306. Additionally the Company has purchased UK treasury bonds also detailed in Note 1306.

ii. A fellow subsidiary, RBS Insurance Services Limited (RBSIS), provides staff/administration services to the Company. During the course of 2010, an amount of £196,400,000 was recharged to the Company by RBSIS. At 31 December 2010, the Company owed £32,981,000 to RBSIS in respect of these services.

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

Supplementary Notes to the Return

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

2102 –Provision for Unearned Premium

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

2202 – Claims Management Expenses

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

2204 – Acquisition Costs

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

2205 – Unexpired Risk Reserve

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

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

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

Private Motor - Comprehensive (121)

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

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

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

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

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

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

Name of Company **Churchill Insurance Company Limited**

Global Business

Financial year ended **31 December 2010**

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

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

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

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

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

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

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

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

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

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

Statement in accordance with Rule 9.30 – Additional information on Controllers

Name of Company	**Churchill Insurance Company Limited**
Global Business	
Financial year ended	**31 December 2010**

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

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

Name of Company	**Churchill Insurance Company Limited**
Global Business	
Financial year ended	**31 December 2010**

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

We certify that:

1. the return, comprising Forms 1, 3, 10 to 23, 30 to 32, 37 and 38, (including the supplementary notes) and the statements required by rules 9.25, 9.26, 9.27, 9.29, 9.30, 9.32 and 9.32A, has been properly prepared in accordance with the Accounts and Statements Rules set out in part I and part IV of chapter 9 of IPRU(INS), the Interim Prudential Sourcebook for Insurers, GENPRU, the General Prudential Sourcebook and INSPRU, the Prudential Sourcebook for Insurers; and

2. the directors are satisfied that:

   (i) throughout the financial year, the Company has complied in all material respects with the requirements in SYSC, Senior Management Arrangements, Systems and Controls, and PRIN, Principles for Business, sections of the FSA Handbook as well as the provisions of IPRU(INS), GENPRU and INSPRU; and

   (ii) it is reasonable to believe that the Company has continued so to comply subsequently, and will continue so to comply in future.

Director	Director	Director

22 March 2011

Name of Company **Churchill Insurance Company Limited**

Global business

Financial year ended **31 December 2010**

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

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in part I and part IV of chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU, the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers, ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 1, 3, 10 to 23, 30 to 32, 37 and 38, (including the supplementary notes) on pages 1 to 56 ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 on pages 57 to 59 and rule 9.29 on page 68 ("the Statements").

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

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

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

Respective responsibilities of the insurer and its auditor

The insurer is responsible for the preparation of an annual return (including the Forms and the Statements) under the provisions of the Rules. The requirements of the Rules have been modified by a direction issued under section 148 of the Financial Services and Markets Act 2000 on 16 June 2009. Under IPRU(INS) rule 9.11 the Forms and the Statements are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Forms and the Statements are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

Basis of opinion

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

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

Name of Company	**Churchill Insurance Company Limited**
Global business	
Financial year ended	**31 December 2010**

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

Opinion

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

Deloitte LLP

Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom

23 March 2011