

CHUBB®

Chubb Insurance Service Company Ltd

Financial Statements

31 December 2020

Company registration number: 09042647

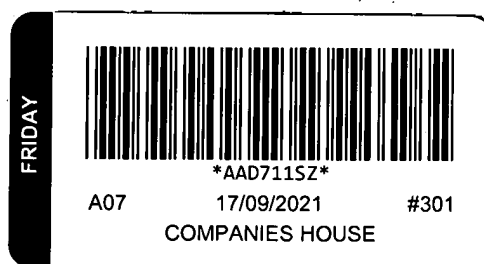


Table of Contents

	Page
Directors' Report	1
Independent Auditors' Report	4
Profit and Loss Account	7
Balance Sheet	9
Statement of Changes in Equity	9
Notes to the Financial Statements	10

Directors' Report

The directors are pleased to submit their report and the audited financial statements for Chubb Insurance Service Company Limited ("the Company") for the year ended 31 December 2020.

Principal Activities and Future Developments

The Company's principal activity was that of a Lloyd's syndicate service company for Syndicate 1882 administering insurance policies on behalf of regulated insurance firms within the Chubb Group of Companies ("Chubb"), consisting of Chubb Limited and its direct and indirect subsidiaries. The Company had been approved as a Lloyd's syndicate service company for Syndicate 1882 and had been appointed as an Appointed Representative of Chubb Managing Agent Ltd. Syndicate 1882 was placed into run off on 31 December 2016 and all of its remaining outstanding assets and liabilities were transferred to Chubb Syndicate 2488 on 1 January 2019 by way of a reinsurance to close transaction.

Principal Risks and Uncertainties

Until 2017 the Company was dependent upon fee income earned solely from its role as a service company administering insurance policies on behalf of Syndicate 1882, which at the time was a regulated insurance firm within the Chubb Group in the United Kingdom. Syndicate 1882 was placed into run off on 31 December 2016 and all of its remaining outstanding assets and liabilities were transferred to Syndicate 2488 on 1 January 2019 by way of a reinsurance to close transaction. The Company's key risk is credit risk, which is mitigated through the credit control procedures that are in place in the Chubb Group.

In response to the Covid-19 pandemic, the Chubb Group took swift actions to minimise risk to employees, including restricting travel and instituting extensive work from home protocols. With respect to clients and business partners, CEGSE sought to minimise any disruption and was able to continue to operate effectively throughout the pandemic and region-wide lockdown restrictions.

The Company's profit in the year relates to foreign exchange gains and losses on liabilities, debtors and Cash balances and there is limited balance sheet exposure to the impacts of Covid-19 arising from the credit risk outlined above. The Company is protected to a degree by Syndicate 2488's risk mitigation strategies and the credit control procedures employed within the Chubb Limited group of companies.

Results and Dividends

The profit before taxation for the year ended 31 December 2020 amounted to £16k (2019: loss of £29k). The shareholders' funds of the Company as at 31 December 2020 totalled £66k (2019: £47k). The directors do not recommend the payment of a dividend (2019: £Nil).

Directors' Report

Directors

The following have been directors from 1 January 2020 to the date of this report unless otherwise indicated:

M A Connoles	
A C Mullins	(resigned 30 November 2020)
B W Wanstall	
D T Whelan	(appointed 30 November 2020)

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) are put in place for the benefit of the directors and, at the date of approval of this report, are in force in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

The Company also has the benefit of a group insurance company management activities policy effected by Chubb Limited. No charge was made to the Company during the year for this policy.

Statement of Directors' Responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

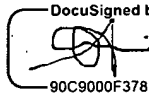
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' Report

Independent Auditors

The Company's independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By Order of the Board

DocuSigned by:

90C9000F378F4F0...

A E Amana

for and on behalf of
Chubb London Services Limited
Secretary

8 September 2021

100 Leadenhall Street
London EC3A 3BP

Independent Auditors' Report

Independent auditors' report to the members of Chubb Insurance Service Company Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Chubb Insurance Service Company Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Profit and Loss Account, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the

Independent Auditors' Report

other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries that may impact the financial performance and position of the company; and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

Independent Auditors' Report

- discussions with senior management involved in the Legal and Internal Audit functions, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- assessment of any matters reported on the company's whistleblowing helpline and the results of management's investigation of such matters;
- reviewing relevant meeting minutes including the Board meetings;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Siobhan Byrne

Siobhan Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 September 2021

**Profit and Loss Account
for the year ended 31 December 2020**

	Note	2020 £'000	2019 £'000
Administrative expenses	2	16	(29)
PROFIT / (LOSS) BEFORE TAXATION		16	(29)
Tax on profit / (loss)	3	3	-
PROFIT / (LOSS) FOR THE FINANCIAL YEAR		19	(29)

The above results are all derived from continuing operations.

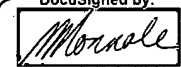
The Company has no other income in the current or prior year other than those presented and hence no separate Statement of Other Comprehensive Income is presented.

Balance Sheet as at 31 December 2020

		2020	2019
	Note	£'000	£'000
CURRENT ASSETS			
Debtors: amounts falling due within one year	6	464	461
Cash at bank and in hand		27	3
		<u>491</u>	<u>464</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	7	(425)	(417)
NET CURRENT ASSETS		<u>66</u>	<u>47</u>
CAPITAL AND RESERVES			
Called-up share capital	8	1	1
Profit and loss account		65	46
TOTAL SHAREHOLDERS' FUNDS		<u>66</u>	<u>47</u>

The notes on pages 10 to 14 are an integral part of these financial statements.

The financial statements on pages 7 to 14 were approved by the Board of Directors on 8 September 2021 and were signed on its behalf by:

DocuSigned by:

 241F683AD3FD40C...

M A Connoles

Director
 8 September 2021

COMPANY REGISTRATION NUMBER: 09042647

Statement of Changes in Equity as at 31 December 2020

	Called-up share capital £'000	Profit and loss account £'000	Total shareholder's funds £'000
AT 1 JANUARY 2019	1	75	76
Loss for the financial year	-	(29)	(29)
AT 31 DECEMBER 2019	1	46	47
Profit for the financial year	-	19	19
AT 31 DECEMBER 2020	1	65	66

Notes to the Financial Statements

1 ACCOUNTING POLICIES

Basis of Preparation

Chubb Insurance Service Company Ltd is a private limited company incorporated in the United Kingdom and registered in England and Wales. The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Financial Reporting Standard FRS 102 ("The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102")).

The Company is a wholly owned subsidiary within the Chubb Limited group and is included in the consolidated financial statements of Chubb Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement and disclosing details of key management personnel and related party transactions under the terms of FRS102. The principal accounting policies, which are set out below, have been applied consistently to all years presented, unless otherwise stated.

The Company has also taken advantage of the exemption under Section 414A of the Companies Act 2006 from the requirement to present a Strategic Report in the financial statements as the Company meets the criteria to prepare accounts in accordance with the small companies regime for the current accounting period.

The principal accounting policies, applied consistently throughout the year, are set out below:

Debtors

Debtors receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement.

Debtors are also recognised in respect of legacy underwriting agency fees due from Syndicate 2488.

Creditors

Creditors payable within one year are recorded at transaction price. Creditors are recognised in respect of referred claims due to Chubb Capital Limited

Dividends

Interim dividends are recognised when paid and final dividends when declared.

Notes to the Financial Statements

1 ACCOUNTING POLICIES - CONTINUED

Foreign currency transactions

Foreign currency transactions are converted to the functional currency, pounds sterling, using the rate for the month the transaction is recorded. Foreign exchange gains and losses arising from the settlement of transactions, and from the retranslation of monetary assets and liabilities to rates prevailing at the statement of financial position date, are recognised in the income statement.

Cash

Cash at bank and in hand is cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if a maturity or period of notice of not more than 24 hours or one working day has been agreed.

Share Capital

Share Capital represents Allotted, called up and fully paid ordinary shares.

2 ADMINISTRATIVE EXPENSES

Administrative expenses are an income of £16k (2019: loss of £29k), primarily driven by foreign exchange gains.

3 TAX ON PROFIT / (LOSS)

The tax charge is made up as follows:

Current taxation

UK corporation tax charge at 19% (2019: 19%)

Adjustment in respect of previous periods

Tax charge on profit / (loss)

	2020	2019
	£'000	£'000
	3	-
	(6)	
	<u>(3)</u>	<u>-</u>

Notes to the Financial Statements

The company has no deferred tax balances (2019: £Nil)

Factors affecting the total tax charge

The tax credit assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	16	(29)
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19% (2019: 19%)	3	(6)
Group relief surrender for nil value	0	6
Adjustment in respect of previous periods	(6)	-
Total tax charge for the year	(3)	-

In March 2021 the UK government announced that the UK corporation tax rate would increase from 19% to 25% from 1 April 2023. This is contained in Finance Bill 2021 which was substantively enacted on 24 May 2021. Since this is after the accounting period, the change is not reflected in these financial statements. This change is not expected to materially impact the company.

Notes to the Financial Statements

4 DIRECTORS AND EMPLOYEES

The Company has no employees (2019: None) and no emoluments were paid by the Company to any of its directors during the year (2019: £Nil). The emoluments of the directors are paid by an associated company. The services of the directors and other key management personnel to the Company are incidental and their emoluments are deemed to be wholly attributable to their services to other group companies. Accordingly, no disclosures of emoluments have been made in these financial statements.

5 AUDITORS' REMUNERATION

	2020 £'000	2019 £'000
Auditors' remuneration for audit of the financial statements	7	7
	<u>7</u>	<u>7</u>

Audit fees are borne by Chubb Services UK Limited, a provider of services to certain fellow Chubb group companies in the United Kingdom.

6 DEBTORS: MOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	460	461
Corporation Tax receivable	4	-
	<u>464</u>	<u>461</u>

Notes to the Financial Statements

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Insurance creditors	-	1
Amounts owed to group undertakings	425	416
	<u>425</u>	<u>417</u>

8 CALLED-UP SHARE CAPITAL

	2020	2019
	£'000	£'000
Allotted, called-up and fully paid:		
1,000 (2019: 1,000) Ordinary shares of £1 each	<u>1</u>	<u>1</u>

9 TRANSACTIONS WITH RELATED PARTIES

Advantage has been taken of the exemption provided in FRS 102 from disclosing details of transactions with Chubb Limited and its subsidiary undertakings.

10 ULTIMATE HOLDING COMPANY

The Company's immediate holding company is Chubb INA International Holdings Ltd, a company registered in the United States of America. The ultimate holding company is Chubb Limited, a company which is registered in Zurich, Switzerland and quoted on the New York Stock Exchange. Copies of the ultimate holding company's consolidated financial statements can be obtained from Investor Relations at Chubb's executive offices at 17 Woodbourne Avenue, Hamilton HM 08, Bermuda.

COMPANY REGISTRATION NUMBER: 09042647