

# Chubb Custom Insurance Company

UK BRANCH BUSINESS

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**Annual Returns to Insurance Directorate HM Treasury  
for the year ended 31st December 1997**



Accounts and statements pursuant to the Insurance Companies Act  
1982 and the Insurance Companies (Accounts and Statements)  
Regulations 1996 (as amended)

(Schedules 1 , 2 , 3 , 5 , 6 )

## Statement of solvency

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**

R9	Company registration number FC19045	GL/UK/CM UK	Period ended			Units £000
			day	month	year	
			31	12	1997	

  

As at the end of this financial year 1	As at the end of the previous year 2	Source		
		Form	Line	Column

## GENERAL BUSINESS

## Available assets

Other than long term business assets allocated towards general business required minimum margin	11	3941	4549	See instructions 1 and 2
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## Required minimum margin

Required minimum margin for general business	12	301	156	12 49
Excess (deficiency) of available assets over the required minimum margin (11-12)	13	3640	4393	

## LONG TERM BUSINESS

## Available assets

Long term business admissible assets	21		10 11
Other than long term business assets allocated towards long term business required minimum margin	22		See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23		See instruction 4
Other insurance and non-insurance liabilities	24		See instruction 5
Available assets for long term business required minimum margin (21+22-23-24)	25		

## Implicit Items admitted under regulation 23(5) of the Insurance Companies Regulations 1994

Future profits	31		
Zillmerising	32		
Hidden reserves	33		

Total of available assets and implicit items (25+31+32+33)	34		
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## Required minimum margin

Required minimum margin for long term business	41		60 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42		
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43		
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44		

## CONTINGENT LIABILITIES

Quantifiable contingent liabilities in respect of other than long term business as shown in a supplementary note to Form 15	51		See instruction 6
Quantifiable contingent liabilities in respect of long term business as shown in a supplementary note to Form 14	52		See instruction 6

W.E. Namacher Authorised RepresentativeD. Stevens Accounting Manager

## Statement of net assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**

		Company registration number	GL/UK/CM	Period ended			Units	
		R10	FC19045	UK	31	12	1997	£000
		As at the end of this financial year 1		As at the end of the previous year 2		Source		
						Form	Line	Column
Long term business - admissible assets	11					13	89	1
Long term business - liabilities and margins	12					14	59	1
Other than Long term business - admissible assets	21	6045		5374		13	89	1
Other than Long term business - liabilities	22	2104		825		15	69	1
Net admissible assets (21-22)	23	3941		4549				
Other assets allowed to be taken into account in covering the required minimum margin	24	Unpaid amounts (including share premium) on partly paid shares						
	25	Supplementary contributions for a mutual carrying on general business						
Liabilities allowed to be left out of account in covering the required minimum margin	26	Subordinated loan capital						
	27	Cumulative preference share capital						
Available assets (23 to 27)	29	3941		4549				
<b>Represented by:</b>								
Paid up share capital (other than cumulative preference share capital)	51							
Amounts included in lines 24 to 27 above	52							
Amounts representing the balance of net assets	56	4291		4549				
Total (51 to 56) and equal to line 29 above	59	4291		4549				
<b>Movement of balance of net assets for solvency purposes - as per line 56</b>								
Balance brought forward at the beginning of the financial year	61	4549				10	56	2
Retained profit/(loss) for the financial year	62	(957)		77		16	59	1
Movement in asset valuation differences	63	(17)		(21)		See instruction 2		
Decrease/(increase) in the provision for adverse changes	64					See instruction 3		
Other movements (particulars to be specified by way of supplementary note)	65	716		4493				
Balance carried forward at the end of the financial year (61 to 65)	69	4291		4549				

**General business : Calculation of required margin of solvency - first method**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**

		Company registration number	GL/UK/CM	Period ended			Units	
		R11	FC19045	UK	31 day	12 month	1997 year	£000
				This financial year			Previous year	
				1			2	
Gross premiums receivable		11	1802			654		
Premium taxes and levies (included in line 11)		12						
Sub-total A (11-12)		13	1802			654		
Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure		14						
Division of Sub-total A (or adjusted Sub-total A if appropriate)	Other than health insurance	Up to and including sterling equivalent of 10M ECU x 18/100	15	324			118	
		Excess (if any) over 10M ECU x 16/100	16					
	Health insurance	Up to and including sterling equivalent of 10M ECU x 5/100	17					
		Excess (if any) over 10M ECU x 16/300	18					
Sub-total B (15+16+17+18)		19	324			118		
Claims paid		21	1091			15		
Claims outstanding carried forward at the end of the financial year.	For business accounted for on an underwriting year basis	22						
	For business accounted for on an accident year basis	23	718			214		
Claims outstanding brought forward at the beginning of the financial year	For business accounted for on an underwriting year basis	24						
	For business accounted for on an accident year basis	25	214					
Sub-total C (21+22+23-(24+25))		29	1595			229		
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		30	114			28		
Sub-total D (29-30)		39	1481			201		
First result Sub-total B x Sub-total D (or, if ½ is a greater fraction, x ½) Sub-total C		41	301			104		

**General business : Calculation of required margin of solvency - second method, and statement of required minimum margin**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

R12	FC19045	UK	31	12	1997	£000
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		This financial year	Previous year	Source		
		1	2	Form	Line	Column
Reference period (No. of financial years) Insert "0" if there is no reference period otherwise insert "3" or "7"	0	11		See Instruction 1		
Claims paid in reference period		21				
Claims outstanding carried forward at the end of the reference period	For business accounted for on an underwriting year basis	22				
	For business accounted for on an accident year basis	23				
Claims outstanding brought forward at the beginning of the reference period	For business accounted for on an underwriting year basis	24				
	For business accounted for on an accident year basis	25				
Sub-total E (21+22+23-(24+25))		29				
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)		31				
Division of Sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100	32			
		Excess (if any) over 7M ECU x 23/100	33			
	Health insurance	Up to and including sterling equivalent of 7M ECU x 26/300	34			
		Excess (if any) over 7M ECU x 23/300	35			
Sub-total G (32 to 35)		39				
Second result Sub-total G x Sub-total D (or, if $\frac{1}{2}$ is a greater fraction, x $\frac{1}{2}$ )		41				

First result	42	301	104	11	41
Required margin of solvency (the higher of lines 41 and 42)	43	301	104		

Minimum guarantee fund	44	136	156		
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Required minimum margin (the higher of lines 43 and 44)	49	301	156		
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## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1997 year	£000	1
Investments					As at the end of this financial year 1		As at the end of the previous year 2		
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance dependants	Shares	21						
		Debt securities issued by, and loans to, dependants	22						
	Other insurance dependants	Shares	23						
		Debt securities issued by, and loans to, dependants	24						
	Non-insurance dependants	Shares	25						
		Debt securities issued by, and loans to, dependants	26						
	Other group undertakings and participating interests	Shares	27						
		Debt securities issued by, and loans to, group undertakings	28						
		Participating interests	29						
Debt securities issued by, and loans to, undertakings in which the company has a participating interest		30							
Total sheet 1 (11 to 30)					39				

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1997 year	£000	1
Investments (continued)					As at the end of this financial year 1			As at the end of the previous year 2	
Deposits with ceding undertakings									
Assets held to cover linked liabilities									
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	94			4681	
			Other	46	4698				
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	141				
		Withdrawal subject to a time restriction of more than one month		55					
	Other			56					
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked		58						
	Property linked		59						
Reinsurers' share of technical provisions	Provision for unearned premiums		60						
	Claims outstanding		61	142			28		
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)			69	5075			4709		

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1997 year	£000	1
Debtors Other assets					As at the end of this financial year 1			As at the end of the previous year 2	
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72	464				145
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76					
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78	79				2
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81	63				252
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84	153				149
	Deferred acquisition costs			85	211				117
	Other prepayments and accrued income			86					
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	970				665
Grand total of admissible assets (39+69+88)				89	6045				5374
Reconciliation to asset values determined in accordance with the shareholder accounts rules									
Total admissible assets (as per line 89 above)				91	6045				5374
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)				92					
Solvency margin deduction for insurance dependants				93					
Other differences in the valuation of assets (other than for assets not valued above)				94	38				21
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)				95					
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				99	6083				5395
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100					



## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Assets deposited with the Accountant General**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31	12	1997	£000	2
					day	month	year		
Investments					As at the end of this financial year 1			As at the end of the previous year 2	
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance dependants	Shares	21						
		Debt securities issued by, and loans to, dependants	22						
	Other insurance dependants	Shares	23						
		Debt securities issued by, and loans to, dependants	24						
	Non-insurance dependants	Shares	25						
		Debt securities issued by, and loans to, dependants	26						
	Other group undertakings and participating interests	Shares	27						
		Debt securities issued by, and loans to, group undertakings	28						
Participating interests		29							
Debt securities issued by, and loans to, undertakings in which the company has a participating interest			30						
Total sheet 1 (11 to 30)					39				

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Assets deposited with the Accountant General**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1997 year	£000	2
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities					As at the end of this financial year 1		As at the end of the previous year 2		
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	94		85		
			Other	46					
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54					
		Withdrawal subject to a time restriction of more than one month		55					
	Other			56					
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked		58						
	Property linked		59						
Reinsurers' share of technical provisions	Provision for unearned premiums		60						
	Claims outstanding		61						
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)			69	94		85			

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Assets deposited with the Accountant General**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31	12	1997	£000	2
				day			month	year	
<b>Debtors</b>							As at the end of this financial year 1	As at the end of the previous year 2	
<b>Other assets</b>									
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72					
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76					
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78					
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81					
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84					
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88					
Grand total of admissible assets (39+69+88)				89			94	85	
<b>Reconciliation to asset values determined in accordance with the shareholder accounts rules</b>									
Total admissible assets (as per line 89 above)				91			94	85	
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)				92					
Solvency margin deduction for insurance dependants				93					
Other differences in the valuation of assets (other than for assets not valued above)				94					
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)				95					
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				99			94	85	
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100					

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Assets maintained in the United Kingdom**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31	12	1997	£000	3
Investments					As at the end of this financial year 1		As at the end of the previous year 2		
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance dependants	Shares			21				
		Debt securities issued by, and loans to, dependants			22				
	Other insurance dependants	Shares			23				
		Debt securities issued by, and loans to, dependants			24				
	Non-insurance dependants	Shares			25				
		Debt securities issued by, and loans to, dependants			26				
	Other group undertakings and participating interests	Shares			27				
		Debt securities issued by, and loans to, group undertakings			28				
		Participating interests			29				
Debt securities issued by, and loans to, undertakings in which the company has a participating interest			30						
Total sheet 1 (11 to 30)					39				

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Assets maintained in the United Kingdom**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1997 year	£000	3
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities					As at the end of this financial year 1		As at the end of the previous year 2		
Other financial investments	Equity shares			41					
	Other shares and other variable yield securities			42					
	Holdings in collective investment schemes			43					
	Rights under derivative contracts			44					
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	94		4681		
			Other	46	4698				
		Variable interest	Approved securities	47					
			Other	48					
	Participation in investment pools			49					
	Loans secured by mortgages			50					
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51					
		Loans secured by policies of insurance issued by the company		52					
		Other		53					
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	141				
		Withdrawal subject to a time restriction of more than one month		55					
	Other			56					
Deposits with ceding undertakings			57						
Assets held to match linked liabilities	Index linked		58						
	Property linked		59						
Reinsurers' share of technical provisions	Provision for unearned premiums		60						
	Claims outstanding		61						
	Provision for unexpired risks		62						
	Other		63						
Total sheet 2 (41 to 63)			69	4933		4681			

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Assets maintained in the United Kingdom**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R13	FC19045	UK	31	12	1997	£000	3	
					As at the end of this financial year 1		As at the end of the previous year 2			
Debtors										
Other assets										
Debtors arising out of direct insurance operations	Policyholders			71						
	Intermediaries			72	464		145			
Salvage and subrogation recoveries				73						
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74						
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75						
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76						
		Due more than 12 months after the end of the financial year		77						
	Other	Due in 12 months or less after the end of the financial year		78	79		2			
		Due more than 12 months after the end of the financial year		79						
Tangible assets				80						
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81	63		252			
	Cash in hand			82						
Other assets (particulars to be specified by way of supplementary note)				83						
Prepayments and accrued income	Accrued interest and rent			84	153		149			
	Deferred acquisition costs			85						
	Other prepayments and accrued income			86						
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87						
Total sheet 3 (71 to 86 less 87)				88	759		548			
Grand total of admissible assets (39+69+88)				89	5692		5229			
Reconciliation to asset values determined in accordance with the shareholder accounts rules										
Total admissible assets (as per line 89 above)				91	5692		5229			
Total assets in excess of the admissibility limits of Schedule 12 of the insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)				92						
Solvency margin deduction for insurance dependants				93						
Other differences in the valuation of assets (other than for assets not valued above)				94	38		21			
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)				95						
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				99	5730		5250			
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance					100					

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Assets maintained in the United Kingdom and the other EEA States**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	FC19045	UK	31	12	1997	£000	4
Investments						As at the end of this financial year 1			As at the end of the previous year 2	
Land and buildings						11				
Investments in group undertakings and participating interests	UK insurance dependants	Shares			21					
		Debt securities issued by, and loans to, dependants			22					
	Other insurance dependants	Shares			23					
		Debt securities issued by, and loans to, dependants			24					
	Non-insurance dependants	Shares			25					
		Debt securities issued by, and loans to, dependants			26					
	Other group undertakings and participating interests	Shares			27					
		Debt securities issued by, and loans to, group undertakings			28					
		Participating interests			29					
Debt securities issued by, and loans to, undertakings in which the company has a participating interest				30						
Total sheet 1 (11 to 30)						39				

## Analysis of admissible assets

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Assets maintained in the United Kingdom and the other EEA States**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets		
		R13	FC19045	UK	31 day	12 month	1997 year	£000	4	
Investments (continued) Deposits with ceding undertakings Assets held to cover linked liabilities					As at the end of this financial year 1		As at the end of the previous year 2			
Other financial investments	Equity shares		41							
	Other shares and other variable yield securities		42							
	Holdings in collective investment schemes		43							
	Rights under derivative contracts		44							
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45		94		4681		
			Other	46		4698				
		Variable interest	Approved securities	47						
			Other	48						
	Participation in investment pools		49							
	Loans secured by mortgages		50							
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51						
		Loans secured by policies of insurance issued by the company		52						
		Other		53						
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54		141				
		Withdrawal subject to a time restriction of more than one month		55						
Other		56								
Deposits with ceding undertakings			57							
Assets held to match linked liabilities	Index linked		58							
	Property linked		59							
Reinsurers' share of technical provisions	Provision for unearned premiums		60							
	Claims outstanding		61							
	Provision for unexpired risks		62							
	Other		63							
Total sheet 2 (41 to 63)			69		4933		4681			



**Analysis of admissible assets**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Category of assets **Assets maintained in the United Kingdom and the other EEA States**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	1997 year	£000	4
Debtors					As at the end of this financial year 1			As at the end of the previous year 2	
Other assets									
Debtors arising out of direct insurance operations	Policyholders			71					
	Intermediaries			72	464				145
Salvage and subrogation recoveries				73					
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74					
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75					
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76					
		Due more than 12 months after the end of the financial year		77					
	Other	Due in 12 months or less after the end of the financial year		78	79				2
		Due more than 12 months after the end of the financial year		79					
Tangible assets				80					
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81	63				252
	Cash in hand			82					
Other assets (particulars to be specified by way of supplementary note)				83					
Prepayments and accrued income	Accrued interest and rent			84	153				149
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	759				548
Grand total of admissible assets (39+69+88)				89	5692				5229
Reconciliation to asset values determined in accordance with the shareholder accounts rules									
Total admissible assets (as per line 89 above)				91	5692				5229
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)				92					
Solvency margin deduction for insurance dependants				93					
Other differences in the valuation of assets (other than for assets not valued above)				94	38				21
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)				95					
Total assets determined in accordance with the shareholder accounts rules (91 to 95)				99	5730				5250
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance				100					

## Liabilities (other than long term business)

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	FC19045	UK	31 day	12 month	1997 year	£000
				As at the end of this financial year 1		As at the end of the previous year 2		
Technical provisions (gross amount)	Provision for unearned premiums		11	839		415		
	Claims outstanding		12	774		231		
	Provision for unexpired risks		13	350				
	Equalisation provisions	Credit business	14					
		Other than credit business	15					
	Other		16					
Total (11 to 16)		19	1963		646			
Provisions for other risks and charges	Taxation		21					
	Other		22					
Deposits received from reinsurers			31					
Creditors	Arising out of insurance operations	Direct business	41					
		Reinsurance accepted	42					
		Reinsurance ceded	43	33		48		
	Debenture loans	Secured	44					
		Unsecured	45					
	Amounts owed to credit institutions		46					
	Other creditors	Taxation	47					
		Recommended dividend	48					
		Other	49	90		131		
Accruals and deferred income			51	18				
Total (19 to 51)			59	2104		825		
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)			61					
Cumulative preference share capital			62					
Subordinated loan capital			63					
Total (59 to 63)			69	2104		825		
Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance			71			131		

**Profit and loss account (non-technical account)**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**

		Company registration number		GL/UK/CM	Period ended			Units
		R16	FC19045	UK	day	month	year	£000
		This financial year		Previous year		Source		
		1		2		Form	Line	Column
Transfer (to)/from the general business technical account	From Form 20	11	(1264)	(189)		20 . 59		
	Equalisation provisions	12						
Transfer from the long term business revenue account		13				40 . 26		
Investment income	Income	14	312	272				
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
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 business technical account		20				20 . 51		
Other income and charges (particulars to be specified by way of supplementary note)		21	26	(6)				
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	(926)	77				
Tax on profit or loss on ordinary activities		31	31					
Profit or loss on ordinary activities after tax (29-31)		39	(957)	77				
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	(957)	77				
Dividends (paid and proposed)		51						
Profit or loss retained for the financial year (49-51)		59	(957)	77				

**General business : Technical account (excluding equalisation provisions)**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Accounting class **Summary**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary
		R20	FC19045	UK	day	month	year	
					31	12	1997	£000
								99
				This financial year	Previous year		Source	
				1	2		Form	Line
							Column	
<b>Items to be shown net of reinsurance</b>								
This year's underwriting (accident year accounting)	Earned premium	11	973	159	21	19	5	
	Claims incurred	12	1332	201	22	17	4	
	Claims management costs	13	82	46	22	18	4	
	Adjustment for discounting	14			22	52	4	
	Increase in provision for unexpired risks	15	350		22	19	4	
	Other technical income or charges (particulars to be specified by way of supplementary note)	16						
	Net operating expenses	17	343	101	22	42	4	
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(1134)	(189)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21	12		21	11	5	
	Claims incurred	22	149		22	13	4	
	Claims management costs	23	(7)		22	14	4	
	Adjustment for discounting	24			22	51	4	
	Other technical income or charges (particulars to be specified by way of supplementary note)	25						
	Net operating expenses	26			22	41	4	
	Balance (21-22-23+24+25-26)	29	(130)					
Balance from underwriting year accounting	Per Form 24	31			24	69	99-99	
	Other technical income and charges (particulars to be specified by way of supplementary note)	32						
	Total	39						
Balance of all years' underwriting (19+29+39)		49	(1264)	(189)				
Allocated investment return		51						
Transfer to non-technical account (49+51)		59	(1264)	(189)				

**General business : Technical account (excluding equalisation provisions)**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Accounting class **Property**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary			
		R20	FC19045	UK	31	12	1997	£000	6		
Items to be shown net of reinsurance				This financial year		Previous year		Source			
				1		2		Form	Line	Column	
This year's underwriting (accident year accounting)	Earned premium	11	558	79	21	19	5				
	Claims incurred	12	1148	161	22	17	4				
	Claims management costs	13	36	18	22	18	4				
	Adjustment for discounting	14			22	52	4				
	Increase in provision for unexpired risks	15	350		22	19	4				
	Other technical income or charges (particulars to be specified by way of supplementary note)	16									
	Net operating expenses	17	154	49	22	42	4				
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(1130)	(149)							
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21	12		21	11	5				
	Claims incurred	22	150		22	13	4				
	Claims management costs	23	(10)		22	14	4				
	Adjustment for discounting	24			22	51	4				
	Other technical income or charges (particulars to be specified by way of supplementary note)	25									
	Net operating expenses	26			22	41	4				
	Balance (21-22-23+24+25-26)	29	(128)								
Balance from underwriting year accounting	Per Form 24	31			24	69	99-99				
	Other technical income and charges (particulars to be specified by way of supplementary note)	32									
	Total	39									
Balance of all years' underwriting (19+29+39)		49	(1258)	(149)							
Allocated investment return		51									
Transfer to non-technical account (49+51)		59	(1258)	(149)							

**General business : Technical account (excluding equalisation provisions)**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Accounting class **Third party liability**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary
		R20	FC19045	UK	day	month	year	
					31	12	1997	£000
								7
Items to be shown net of reinsurance				This financial year	Previous year		Source	
				1	2		Form	Line
							Column	
This year's underwriting (accident year accounting)	Earned premium	11	418	76	21	19	5	
	Claims incurred	12	184	38	22	17	4	
	Claims management costs	13	46	21	22	18	4	
	Adjustment for discounting	14			22	52	4	
	Increase in provision for unexpired risks	15			22	19	4	
	Other technical income or charges (particulars to be specified by way of supplementary note)	16						
	Net operating expenses	17	181	51	22	42	4	
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	7	(34)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5	
	Claims incurred	22	(1)		22	13	4	
	Claims management costs	23	2		22	14	4	
	Adjustment for discounting	24			22	51	4	
	Other technical income or charges (particulars to be specified by way of supplementary note)	25						
	Net operating expenses	26			22	41	4	
	Balance (21-22-23+24+25-26)	29	(1)					
Balance from underwriting year accounting	Per Form 24	31			24	69	99-99	
	Other technical income and charges (particulars to be specified by way of supplementary note)	32						
	Total	39						
Balance of all years' underwriting (19+29+39)		49	6	(34)				
Allocated investment return		51						
Transfer to non-technical account (49+51)		59	6	(34)				

**General business : Technical account (excluding equalisation provisions)**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Accounting class **Miscellaneous and pecuniary loss**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary
		R20	FC19045	UK	day	month	year	
					31	12	1997	£000
								8
					This financial year		Previous year	Source
					1		2	Form Line Column
<b>Items to be shown net of reinsurance</b>								
This year's underwriting (accident year accounting)	Earned premium	11		(3)			4	21 . 19 . 5
	Claims incurred	12					2	22 . 17 . 4
	Claims management costs	13					7	22 . 18 . 4
	Adjustment for discounting	14						22 . 52 . 4
	Increase in provision for unexpired risks	15						22 . 19 . 4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16						
	Net operating expenses	17		8			1	22 . 42 . 4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19		(11)			(6)	
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21						21 . 11 . 5
	Claims incurred	22						22 . 13 . 4
	Claims management costs	23		1				22 . 14 . 4
	Adjustment for discounting	24						22 . 51 . 4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25						
	Net operating expenses	26						22 . 41 . 4
	Balance (21-22-23+24+25-26)	29		(1)				
Balance from underwriting year accounting	Per Form 24	31						24 . 69. 99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32						
	Total	39						
Balance of all years' underwriting (19+29+39)		49		(12)			(6)	
Allocated investment return		51						
Transfer to non-technical account (49+51)		59		(12)			(6)	

Name of company	Chubb Custom Insurance Company

Financial year ended 31st December 1997

Accounting class	Property
Accounting 101	Real Estate
Accounting 102	Business Law
Accounting 103	Finance
Accounting 104	Marketing
Accounting 105	Human Resources
Accounting 106	Operations Management
Accounting 107	Information Systems
Accounting 108	Project Management
Accounting 109	Quality Management
Accounting 110	Sustainability
Accounting 111	E-commerce
Accounting 112	Supply Chain Management
Accounting 113	International Business
Accounting 114	Entrepreneurship
Accounting 115	Leadership
Accounting 116	Organizational Behavior
Accounting 117	Strategic Management
Accounting 118	Business Ethics
Accounting 119	Globalization
Accounting 120	Innovation
Accounting 121	Customer Relationship Management
Accounting 122	Data Analytics
Accounting 123	Artificial Intelligence
Accounting 124	Blockchain Technology
Accounting 125	Cybersecurity
Accounting 126	Cloud Computing
Accounting 127	Digital Marketing
Accounting 128	Big Data
Accounting 129	Internet of Things
Accounting 130	Virtual Reality
Accounting 131	Augmented Reality
Accounting 132	Robotics
Accounting 133	Autonomous Vehicles
Accounting 134	Drone Technology
Accounting 135	Wearable Devices
Accounting 136	Smart Home Technology
Accounting 137	Healthcare Technology
Accounting 138	Education Technology
Accounting 139	Agriculture Technology
Accounting 140	Manufacturing Technology
Accounting 141	Energy Technology
Accounting 142	Space Technology
Accounting 143	Nanotechnology
Accounting 144	Bioinformatics
Accounting 145	Genomics
Accounting 146	Proteomics
Accounting 147	Mitochondrial DNA
Accounting 148	Epigenetics
Accounting 149	CRISPR-Cas9
Accounting 150	Gene Editing
Accounting 151	Stem Cell Research
Accounting 152	Regenerative Medicine
Accounting 153	Immunotherapy
Accounting 154	Personalized Medicine
Accounting 155	Precision Oncology
Accounting 156	Pharmacogenomics
Accounting 157	Vaccines
Accounting 158	Antibiotics
Accounting 159	Antivirals
Accounting 160	Antiparasitics
Accounting 161	Antifungals
Accounting 162	Anticancer Drugs
Accounting 163	Antipsychotics
Accounting 164	Antidepressants
Accounting 165	Anxiolytics
Accounting 166	Hypnotics
Accounting 167	Sedatives
Accounting 168	Anesthetics
Accounting 169	Analgesics
Accounting 170	Anticoagulants
Accounting 171	Antithrombotics
Accounting 172	Antidiabetics
Accounting 173	Insulin
Accounting 174	Oral Contraceptives
Accounting 175	Emergency Contraception
Accounting 176	Abortion Pills
Accounting 177	Fertility Treatments
Accounting 178	IVF Procedures
Accounting 179	Gamete Donation
Accounting 180	Zygote Insemination
Accounting 181	Embryo Transfer
Accounting 182	Surrogate Pregnancy
Accounting 183	Gestational Carriers
Accounting 184	Preimplantation Genetic Testing
Accounting 185	Chromosomal Abnormalities
Accounting 186	Tandem Repeat Sequences
Accounting 187	Deletion Sequences
Accounting 188	Duplication Sequences
Accounting 189	Inversion Sequences
Accounting 190	Translocation Sequences
Accounting 191	Reciprocal Translocations
Accounting 192	Non-reciprocal Translocations
Accounting 193	Robertsonian Translocations
Accounting 194	X-chromosome Translocations
Accounting 195	Y-chromosome Translocations
Accounting 196	Sex Chromosome Abnormalities
Accounting 197	Klinefelter Syndrome
Accounting 198	Turner Syndrome
Accounting 199	Down Syndrome
Accounting 200	Phenylketonuria
Accounting 201	Albinism
Accounting 202	Marfan Syndrome
Accounting 203	Sickle Cell Anemia
Accounting 204	Thalassemia
Accounting 205	Hemophilia A
Accounting 206	Hemophilia B
Accounting 207	Duchenne's Muscular Dystrophy
Accounting 208	Becker's Muscular Dystrophy
Accounting 209	Myotonic Dystrophy
Accounting 210	Charcot-Marie-Tooth Disease
Accounting 211	Huntington's Disease
Accounting 212	Phenylketonuria
Accounting 213	Albinism
Accounting 214	Marfan Syndrome
Accounting 215	Sickle Cell Anemia
Accounting 216	Thalassemia
Accounting 217	Hemophilia A
Accounting 218	Hemophilia B
Accounting 219	Duchenne's Muscular Dystrophy
Accounting 220	Becker's Muscular Dystrophy
Accounting 221	Myotonic Dystrophy
Accounting 222	Charcot-Marie-Tooth Disease
Accounting 223	Huntington's Disease
Accounting 224	Phenylketonuria
Accounting 225	Albinism
Accounting 226	Marfan Syndrome
Accounting 227	Sickle Cell Anemia
Accounting 228	Thalassemia
Accounting 229	Hemophilia A
Accounting 230	Hemophilia B
Accounting 231	Duchenne's Muscular Dystrophy
Accounting 232	Becker's Muscular Dystrophy
Accounting 233	Myotonic Dystrophy
Accounting 234	Charcot-Marie-Tooth Disease
Accounting 235	Huntington's Disease
Accounting 236	Phenylketonuria
Accounting 237	Albinism
Accounting 238	Marfan Syndrome
Accounting 239	Sickle Cell Anemia
Accounting 240	Thalassemia
Accounting 241	Hemophilia A
Accounting 242	Hemophilia B
Accounting 243	Duchenne's Muscular Dystrophy
Accounting 244	Becker's Muscular Dystrophy
Accounting 245	Myotonic Dystrophy
Accounting 246	Charcot-Marie-Tooth Disease
Accounting 247	Huntington's Disease
Accounting 248	Phenylketonuria
Accounting 249	Albinism
Accounting 250	Marfan Syndrome
Accounting 251	Sickle Cell Anemia
Accounting 252	Thalassemia
Accounting 253	Hemophilia A
Accounting 254	Hemophilia B
Accounting 255	Duchenne's Muscular Dystrophy
Accounting 256	Becker's Muscular Dystrophy
Accounting 257	Myotonic Dystrophy
Accounting 258	Charcot-Marie

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

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Accounting class **Third party liability**

		Company registration number	GLUK/CM	Period ended			Units	Accounting class
				day	month	year		
		R21	FC19045	UK	31	12	1997	£000
<b>Premiums receivable during the financial year</b>		Reinsurers' share		Net of reinsurance				
		Earned in previous financial years 3		Earned in previous financial years 5				
11 In respect of risks incepted in previous financial years								
		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	
12 In respect of risks incepted in previous financial years		27	32			27	32	
13 For periods of less than 12 months		286	94	290		(4)	94	
14 For periods of 12 months		154	206			154	206	
15 For periods of more than 12 months		16	126			16	126	
16 Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		225	13			225	13	
19 Total (12 to 16)		708	471	290		418	471	

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

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Accounting class **Miscellaneous and pecuniary loss**

		Company registration number	GL/UKGCM	Period ended			Units	Accounting class	
				day	month	year			
		R21	FC19045	UK	31	12	1997	£000	8
<b>Premiums receivable during the financial year</b>		Gross premiums written		Reinsurers' share		Net of reinsurance			
			Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 6		
11 In respect of risks incepted in previous financial years									
			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	
12 In respect of risks incepted in previous financial years			(11)				(11)		
13 For periods of less than 12 months									
14 In respect of risks incepted in this financial year									
15 For periods of more than 12 months									
16 Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year			8					8	
19 Total (12 to 16)			(3)					(3)	

**General business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Accounting class **Property**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class
		R22	FC19045	UK	day	month	year	
					31	12	1997	£000
								6
			Amount brought forward from previous financial year	Amount payable/receivable in this financial year	Amount carried forward to next financial year	Amount attributable to this financial year		
			1	2	3	4		
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	150	300			150	
	Reinsurers' share	12						
	Net (11-12)	13	150	300			150	
	Claims management costs	14	12	2			(10)	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		791		357	1148	
	Reinsurers' share	16						
	Net (15-16)	17		791		357	1148	
	Claims management costs	18		7		29	36	
Provision for unexpired risks		19				350	350	
Net operating expenses	Commissions	21	47	249		100	196	
	Other acquisition expenses	22						
	Administrative expenses	23		50			50	
	Reinsurance commissions and profit participations	24		92			92	
	Total (21+22+23-24)	29	47	207		100	154	
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	47	207		100	154	
Split of line 39	Incidents occurring prior to this financial year	51						
	Incidents occurring in this financial year	52						

Accounting class	Third party liability
<p>1. <b>Accounting class</b></p> <p>2. <b>Third party liability</b></p>	

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**General business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Accounting class **Miscellaneous and pecuniary loss**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

Accounting  
class

R22	FC19045	UK	31	12	1997	£000	8
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		Amount brought forward from previous financial year	Amount payable/receivable in this financial year	Amount carried forward to next financial year	Amount attributable to this financial year
		1	2	3	4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	2	2	
	Reinsurers' share	12			
	Net (11-12)	13	2	2	
	Claims management costs	14		1	1
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	2	(1)	(4)
	Other acquisition expenses	22			
	Administrative expenses	23		12	12
	Reinsurance commissions and profit participations	24			
	Total (21+22+23-24)	29	2	11	8
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	2	11	8
Split of line 39	Incidents occurring prior to this financial year	51			
	Incidents occurring in this financial year	52			

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

Name of company **Chubb Custom Insurance Company**

United Kingdom branch

Financial year ended **31st December 1997**Accounting class **Property**

Accounting class		Property		Company registration number		GL/UK/ICM		Period ended				Units		Accounting class	
								day		month		year			

Name of company	Chubb Custom Insurance Company
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Financial year ended 31st December 1997

Accounting class

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Name of company	Chubb Custom Insurance Company

Financial year ended	31st December 1997
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Accounting class

Accident year ended		Year ending month													Claims ratio %	
		R23		FC19045		UK		31		12		1997		£000		Deterioration/ (surplus) of original reserve %
		Claims outstanding brought forward	Balance on each accident year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Reported (net)	Incurred but not reported (net)	Claims outstanding carried forward	Claims paid (net) during this financial year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims outstanding (net) as at end of the accident year	Claims paid (net) during the accident year	Month			
Reported (net)	Incurred but not reported (net)													Reported (net)	Incurred but not reported (net)	Reported (net)
12	1997	11				4	6	7	8	9	10	11	12		13	
12	1996	12	2				2					4		50.0		
13		13														
14		14														
15		15														
16		16														
17		17														
18		18														
19		19														
20		20														
Prior accident years		21														
Reconciliation		22														
Total (11 to 22)		29					2		2							



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

Name of company **Chubb Custom Insurance Company**Accounting class **Property**

United Kingdom branch

Currency **Pounds Sterling**Financial year ended **31st December 1997**Risk group **United States Of America**

Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Balance for each accident year (4+5+6-7-8)	Gross earned premiums	Claims ratio %
Month	Year	Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	In this financial year	Reported	In this financial year	Reported	In this financial year	Reported	In this financial year	Reported
12	1997	11	82	10	791	130	227	7	8	9	10	11
12	1996	12	9	11	300			123	27	150	115	270.4
		13										
		14										
		15										
		16										
		17										
		18										
		19										
		20										
Prior accident years		21										
Total (11 to 21)		29		10	1091	130	227	123	27	1298		
Line 29 expressed in sterling		30			1091	130	227	123	27	1298		

Name of company	Chubb Custom Insurance Company

**Accounting class      Third party liability**

**Currency**

## Pounds Sterling

Risk group	United States Of America
Low	100
Medium	100
High	100

Accident year ended		Year										1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997		1997	
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Accounting class      **Miscellaneous and pecuniary loss**

United Kingdom branch

Currency Pounds Sterling

\_\_\_\_\_ units  
year

34

Returns under Insurance Companies Legislation

General business Statement of Major Reinsurers - Regulation 19

Name of Company Chubb Custom Insurance Company

UK Branch Business

Financial year ended 31st December 1997

FULL NAME OF MAJOR REINSURER	ADDRESS OF REGISTERED OR PRINCIPAL OFFICE	CONNECTION WITH COMPANY & HOW	TOTAL NON-PROPORTIONAL £'000	AMOUNT OF TOTAL GROSS PREMIUMS PAYABLE £'000	AMOUNT OF ANY ANTICIPATED RECOVERIES £'000
FEDERAL INSURANCE COMPANY	CAPITOL CENTER, 251 NORTH ILLINOIS, SUITE 1100, INDIANAPOLIS, INDIANA, USA	RELATED COMPANY, BEING IMMEDIATE PARENT	769	769	142

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

Statement required by Regulation 20 of the Insurance Companies (Accounts & Statements) Regulations 1996

UK Branch Business

Financial Year Ended: 31 December 1997

There were no major facultative reinsurers in the period.

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

Statement of Major Cedants (Regulation 21)

UK Branch Business

Financial Year Ended: 31 December 1997

There were no major cedants in the period.

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

Statement required by Regulation 23 of the Insurance Companies (Accounts & Statements) Regulations 1996

UK Branch Business:

Financial Year Ended: 31 December 1997

The Company's investment guidelines do not involve the use of derivative contracts and no such contracts have been entered into during the financial year. There is consequently nothing to report under paragraphs (b) to (i) of Regulation 23.

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial Year Ended: 31 December 1997

## SUPPLEMENTARY NOTES TO THE RETURN

### **1002 Other Movements**

The entry on Form 10 line 65 relates to exchange rate movements.

### **1304 Debtors and Creditors**

Certain amounts shown on Form 13 and 15 have been calculated by netting amounts due to any one person against amounts due from that person to the extent permitted by generally accepted accounting principles.

### **1305 Counterparty Exposure**

The Company's investment guidelines state that no more than 5% of the total portfolio may be invested in an issue and no more than 10% in any one name. However, where the total value of the portfolio is less than this threshold, then the guidelines state that the investments made must be rated at least AA- by Standard and Poor's and AA3 by Moody's. There has been no breach of these guidelines in the year.

### **1501 Provision for Adverse Changes**

The Company has no involvement in stock lending or derivative contracts and as such no provision is required.

### **1502 Contingent Liabilities**

No provision has been made for any actual or potential liability to tax on capital gains which might arise if the Company disposed of its assets. There are no charges over assets.

The Company has no contingent liabilities, nor does it have any guarantees, indemnity or other contractual commitments.

### **1601 Foreign Currency**

Amounts of income and expenditure shown on Form 16 have been calculated at the rate ruling at the date of transaction and for US dollar amounts at the rate for that particular month.



Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial Year Ended: 31 December 1997

SUPPLEMENTARY NOTES TO THE RETURN - continued

**1603 Other Income and Charges**

Line 21 represents exchange differences in the year.

**1700 Derivative Contracts**

The Company has no derivative contracts and as such Form 17 has been omitted from the return.

**2002 Analysis of Premiums Written**

All premiums written (gross and the reinsurers share) are attributable to UK business.

**2003 Authorised Classes**

The Company did not write any new business during the year in the following authorised classes: 3, 7, 10, 15 and 17 and none were written last year.

**2102 Unearned Premiums**

Unearned premiums are calculated on the 24ths basis, suitably modified for non annual policies. This basis allows for an appropriate recognition of premium over the period of risk.

**2202 Claims Management Expenses**

Claims management expenses are calculated from a cost allocation system. This allocation is reviewed periodically to determine the claims growth in accounting classes. The carried forward expense is calculated based on claims reserves at the end of each year.

Returns under Insurance Companies Legislation

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial Year Ended: 31 December 1997

SUPPLEMENTARY NOTES TO THE RETURN - continued

**2204 Basis for Determining Acquisition Expenses**

Other than commission, there are no acquisition costs.

**3102 Risk Group Information**

Chubb Custom is an Excess and Surplus Lines carrier for the North American market. This is somewhat of a niche market and as such, detailed analysis by Risk group has been omitted.

**3700/3800 Equalisation provisions**

The net written premiums for the United Kingdom branch fall below the de minimus limits and as such the provisions of the Insurance Companies (Reserves) Regulations 1996 do not apply.

## Returns under Insurance Companies Legislation

Certificate required by Regulation 28(a) of the Insurance Companies (Accounts and Statements) Regulations 1996

### CHUBB CUSTOM INSURANCE COMPANY

U.K branch business

Financial year ended: 31 December 1997

We certify:

- (1) (a) in relation to the part of the return comprising Forms 9 to 13, 15 and 16, 20 to 23 and 31, the statements required by regulations 19 to 21, 23 and 26 of the Insurance Companies (Accounts and Statements) Regulations 1996 and the supplementary notes that:
    - (i) the return has been prepared in accordance with the Regulations;
    - (ii) proper accounting records have been maintained and adequate information has been obtained by the Company;
    - (iii) an appropriate system of control has been established and maintained by the Company over its transactions and records;
  - (b) that reasonable enquiries have been made by the company for the purpose of determining whether any person and any body corporate are connected for the purposes of regulations 19, 20 and 21;
  - (c) that in respect of the company's business which is not excluded by regulation 32 of the Insurance Companies Regulations 1994, the assets held throughout the financial year enabled the company to comply with regulations 27 to 31 (matching and localisation) of those Regulations.
- (2) that the margin of UK solvency required by section 32 of the Insurance Companies Act 1982 has been maintained throughout the year.
  - (3) (a) that the company has kept throughout the financial year admissible assets representing the required United Kingdom minimum margin of an amount at least equal to the appropriate fund or minimum guarantee fund, whichever was the greater, within the United Kingdom and has kept throughout that year admissible assets representing the remainder of that minimum margin within the United Kingdom; and
  - (b) that the deposit made in accordance with section 9(1)(c) of the Insurance Companies Act 1982 has been maintained throughout the year at a level equal to at least the minimum as defined in regulation 7 of the Insurance Companies Regulations 1994.

Returns under Insurance Companies Legislation

Certificate required by Regulation 28(a) of the Insurance Companies (Accounts and Statements) Regulations 1996

**CHUBB CUSTOM INSURANCE COMPANY**

U.K branch business

Financial year ended: 31 December 1997

(continued)

- (4) (a) that the systems of control established and maintained by the Company in respect of its business complied at the end of the financial year with the following published guidance:
- i) Prudential Guidance Note 1994/6 - 'Systems of control over the investments (and counterparty exposure) of insurance companies with particular reference to derivatives'; and
  - ii) Prudential Guidance Note 1996/1 - 'Controls over general business claims provisions'
- and it is reasonable to believe that those systems continued to so comply subsequently and will continue to so comply in future; and
- (b) the return has been prepared in accordance with the following published guidance:
- i) Prudential Guidance Note 1995/1 - 'Guidance for insurance companies and auditors on the Valuation of Assets Regulations (Part VIII of the Insurance Companies Regulations 1994)'; and
  - ii) Prudential Guidance Note 1998/1 - 'The preparation of annual returns to the Directorate of HM Treasury'
- (5) that proper accounting records have been maintained in the United Kingdom in respect of business carried on through any agency or branch of the Company in the United Kingdom.

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W.E. Namacher  
Authorised Representative

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D. Stevens  
Accounting Manager

Date: 30<sup>th</sup> June 1998

## Returns Under Insurance Companies Legislation

Report of the auditors to the Directors pursuant to Regulation 29 of the Insurance Companies (Accounts & Statements) Regulations 1996

### CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial year ended: 31 December 1997

We have examined the following documents prepared by the Company pursuant to section 17 of the Insurance Companies Act 1982 ("the Act") which are required to be audited by Regulation 29 of the Insurance Companies (Accounts & Statements) Regulations 1996 ("the Regulations").

- Forms 9 to 13, 15 to 16, 20 to 23 and 31 (including the supplementary notes thereto) ("the Forms")
- the statements furnished pursuant to regulations 19, 20 and 21 and 23 on pages 35 to 39 ("the statements"); and
- the certificate signed in accordance with Regulation 28 (a) on pages 43 and 44 ("the certificate")

In the case of the certificate, our audit did not extend to paragraph 1 in relation to the statements required by regulation 26.

#### Respective responsibilities of the Company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, statements and certificate) under the provisions of the Act and the Regulations. Under regulation 5 the Forms and statements are required to be prepared in the manner specified by the Regulations and to state fairly the information provided on the basis required by the Regulations.

It is our responsibility to form an independent opinion as to whether the Forms and statements meet these requirements, and in the case of the certificate whether it was or was not unreasonable for the persons giving the certificate to have made the statements therein, and to report our opinions to you.

## Returns Under Insurance Companies Legislation

Report of the auditors to the Directors pursuant to Regulation 29 of the Insurance Companies (Accounts & Statements) Regulations 1996

### CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial year ended: 31 December 1997

(continued)

#### Bases of opinions

We conducted our work in accordance with Bulletin 1998/3, 'Auditors' reports on regulatory returns made under the Insurance Companies Act 1982' 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 statements. It also included an assessment of the significant estimates and judgements made by the Company in the preparation of the Forms and statements.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error and comply with regulation 5.

In the case of the certificate, the work performed involved a review of the procedures undertaken by the signatories to enable them to make the statements therein, and does not extend to an evaluation of the effectiveness of the company's internal control systems.

#### Opinions

In our opinion:

- (a) the Forms and statements fairly state the information provided on the basis required by the Regulations and have been properly prepared in accordance with the provision of those Regulation; and
- (b) according to the information and explanations received by us:
  - (i) the certificate has been properly prepared in accordance with the provisions of the Regulations; and
  - (ii) it was not unreasonable for the persons giving the certificate to have made the statements therein.

Ernst & Young  
Chartered Accountants  
Registered Auditor  
London  
30th June 1998