

AC 001745

# Chubb Custom Insurance Company

UK BRANCH RETURN

CHUBB CUSTOM INSURANCE  
COMPANY  
UNITED KINGDOM  
LONDON



**Annual FSA Insurance Returns for the year ended  
31st December 2001**



Returns under the Accounts and Statements Rules

(Appendices 9.1 , 9.2 , 9.5 , 9.6 )

**Statement of solvency**Name of insurer **Chubb Custom Insurance Company**

UK branch business

Financial year ended **31st December 2001**

R9	Company registration number FC19045	GL/UK/CM UK	Period ended			Units £000
			day	month	year	
			31	12	2001	
		As at the end of this financial year	As at the end of the previous year		Source	
		1	2		Form	Line
						Column

**GENERAL INSURANCE BUSINESS****Available assets**

Other than long term insurance business assets allocated towards general insurance business required minimum margin	11	2323	1971	See instructions 1 and 2
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**Required minimum margin**

Required minimum margin for general insurance business	12	263	405	12 49
Excess (deficiency) of available assets over the required minimum margin (11-12)	13	2060	1566	

**LONG TERM INSURANCE BUSINESS****Available assets**

Long term insurance business admissible assets	21			10 11
Other than long term insurance business assets allocated towards long term insurance 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 insurance business required minimum margin (21+22-23-24)	25			

**Implicit Items admitted under Rule 2.10(5) as modified**

Future profits	31			
Zillmerising	32			
Hidden reserves	33			
Total of available assets and implicit items (25+31+32+33)	34			

**Required minimum margin**

Required minimum margin for long term insurance 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 insurance business as shown in a supplementary note to Form 15	51			See instruction 6
Quantifiable contingent liabilities in respect of long term insurance business as shown in a supplementary note to Form 14	52			See instruction 6

**Covering sheet to Form 9**

Name of insurer **Chubb Custom Insurance Company**

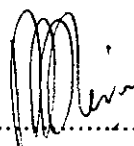
UK branch business

Financial year ended **31st December 2001**



**Gregory Georgieff**

**Authorised Representative**



**David Stevens**

**Accounting Manager**

Financial year ended **31st December 2001**

Balance brought forward at the beginning of the financial year	<b>61</b>	1971	2354	10 . 56 . 2
Retained profit/(loss) for the financial year	<b>62</b>	368	(1087)	16 . 59 . 1
Movement in asset valuation differences	<b>63</b>	(160)	383	See instruction 2
Decrease/(increase) in the provision for adverse changes	<b>64</b>			See instruction 3
Other movements (particulars to be specified by way of supplementary note)	<b>65</b>	144	321	
Balance carried forward at the end of the financial year (61 to 65)	<b>69</b>	2323	1971	

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

UK branch business

Financial year ended **31st December 2001**

			Company registration number	GL/UK/CM	Period ended			Units		
			R11	FC19045	UK	31	12	2001	£000	
				This financial year			Previous year			
				1			2			
Gross premiums receivable				11	2612			1523		
Premium taxes and levies (included in line 11)				12						
Sub-total A (11-12)				13	2612			1523		
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 EURO x 18/100	15	470			274			
		Excess (if any) over 10M EURO x 16/100	16							
	Health insurance	Up to and including sterling equivalent of 10M EURO x 6/100	17							
		Excess (if any) over 10M EURO x 16/300	18							
Sub-total B (15+16+17+18)				19	470			274		
Claims paid				21	964			61		
Claims outstanding carried forward at the end of the financial year		For insurance business accounted for on an underwriting year basis	22							
		For insurance business accounted for on an accident year basis	23	5029			3080			
Claims outstanding brought forward at the beginning of the financial year		For insurance business accounted for on an underwriting year basis	24							
		For insurance business accounted for on an accident year basis	25	3080			1576			
Sub-total C (21+22+23-(24+25))				29	2913			1565		
Amounts recoverable from reinsurers in respect of claims included in Sub-total C				30	1966			(65)		
Sub-total D (29-30)				39	947			1630		
First result Sub-total B x $\frac{\text{Sub-total D}}{\text{Sub-total C}}$ (or, if $\frac{1}{2}$ is a greater fraction, $\times \frac{1}{2}$ )				41	235			274		

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

UK branch business

Financial year ended **31st December 2001**

Financial year ended 31st December 2001

		Company registration number	GL/UK/CM	Period ended			Units		
		R12	FC19045	UK	31	12	2001	£000	
				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"		3	11				See Instruction 1		
Claims paid in reference period		21	2034	2311					
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22							
	For insurance business accounted for on an accident year basis	23	5029	3080					
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	24							
	For insurance business accounted for on an accident year basis	25	997	718					
Sub-total E (21+22+23-(24+25))		29	6066	4673					
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)		31	2022	1558					
Division of Sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M EURO x 26/100	32	526	405				
		Excess (if any) over 7M EURO x 23/100	33						
	Health insurance	Up to and including sterling equivalent of 7M EURO x 26/300	34						
		Excess (if any) over 7M EURO x 23/300	35						
Sub-total G (32 to 35)		39	526	405					
Second result Sub-total G x Sub-total D (or, if ¼ is a greater fraction, x ½)		41	263	405					

First result	42	235	274	11	41
Required margin of solvency (the higher of lines 41 and 42)	43	263	405		

Minimum guarantee fund	44	124	116		
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Required minimum margin (the higher of lines 43 and 44)	49	263	405		
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**Analysis of admissible assets**Name of insurer **Chubb Custom Insurance Company**

UK branch business

Financial year ended **31st December 2001**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	2001 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 business 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 insurer has a participating interest		30							
Total sheet 1 (11 to 30)					39				

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

UK branch business

Financial year ended **31st December 2001**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	12	2001	£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	4770				234
			Other		46	2321				4683
		Variable interest	Approved securities		47	115				106
			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						292
		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	9						
	Claims outstanding		61	2406				449		
	Provision for unexpired risks		62							
	Other		63							
Total sheet 2 (41 to 63)				69	9621				5764	



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

UK branch business

Financial year ended **31st December 2001**Category of assets **Total other than long term business assets**

Category of assets		Total other than long term business assets		Company registration number	GL/UK/CM	Period ended			Units	Category of assets
		day	month			year				
		R13	FC19045	UK	31	12	2001	£000	1	
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	954			681	
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	446			844	
		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	314			207	
	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	172			134	
	Deferred acquisition costs				85	216			147	
	Other prepayments and accrued income				86					
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets					87					
Total sheet 3 (71 to 86 less 87)					88	2102			2013	
Grand total of admissible assets (39+69+88)					89	11723			7777	
Reconciliation to asset values determined in accordance with the insurance accounts rules										
Total admissible assets (as per line 89 above)					91	11723			7777	
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)					92					
Solvency margin deduction for subsidiary undertakings which are insurance undertakings					93					
Other differences in the valuation of assets (other than for assets not valued above)					94	486			326	
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)					95					
Total assets determined in accordance with the insurance accounts rules (91 to 95)					99	12209			8103	
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance					100					

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

UK branch business

Financial year ended **31st December 2001**Category of assets **Assets deposited under rule 8.1(1)**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
				day	month	year			
		R13	FC19045	UK	31	12	2001	£000	2
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 business 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 insurer has a participating interest			30						
Total sheet 1 (11 to 30)					39				

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

UK branch business

Financial year ended **31st December 2001**Category of assets **Assets deposited under rule 8.1(1)**

			Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			R13	FC19045	UK	31	12	2001	£000	2
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						
			Other	46						
		Variable interest	Approved securities	47		115		106		
			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		115		106		

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

UK branch business

Financial year ended **31st December 2001**Category of assets **Assets deposited under rule 8.1(1)**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	FC19045	UK	31 day	12 month	2001 year	£000	2
<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 rules 4.14(2)(b) and 4.14(3)) 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		115		106	
<b>Reconciliation to asset values determined in accordance with the insurance accounts rules</b>									
Total admissible assets (as per line 89 above)				91		115		106	
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)				92					
Solvency margin deduction for subsidiary undertakings which are insurance undertakings				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 insurance accounts rules)				95					
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99		115		106	
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100					

**Analysis of admissible assets**

Name of insurer **Chubb Custom Insurance Company**

UK branch business

Financial year ended **31st December 2001**

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	2001	£000	3
					As at the end of this financial year 1			As at the end of the previous year 2	
Investments									
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance business 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 insurer has a participating interest			30						
Total sheet 1 (11 to 30)					39				

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

UK branch business

Financial year ended **31st December 2001**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	2001	£000	3
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	4770			234	
			Other	46	2321			4683	
		Variable interest	Approved securities	47	115			106	
			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				292	
		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	7206			5315		

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

UK branch business

Financial year ended **31st December 2001**Category of assets **Assets maintained in the United Kingdom**

Category of assets	Assets maintained in the United Kingdom							Category of assets
	Company registration number	GL/UK/CM	Period ended			Units		
			day	month	year			
	R13	FC19045	UK	31	12	2001	£000	3

**Debtors  
Other assets**As at the end of  
this financial  
year  
1As at the end of  
the previous  
year  
2

Debtors arising out of direct insurance operations	Policyholders		71		
	Intermediaries		72	954	681
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	446	844
		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	314	207
	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	172	134
	Deferred acquisition costs		85		
	Other prepayments and accrued income		86		
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets			87		
Total sheet 3 (71 to 86 less 87)			88	1886	1866
Grand total of admissible assets (39+69+88)			89	9092	7181

**Reconciliation to asset values determined in accordance with the insurance accounts rules**

Total admissible assets (as per line 89 above)			91	9092	7181
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)			92		
Solvency margin deduction for subsidiary undertakings which are insurance undertakings			93		
Other differences in the valuation of assets (other than for assets not valued above)			94	486	326
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)			95		
Total assets determined in accordance with the insurance accounts rules (91 to 95)			99	9578	7507

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

100

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

UK branch business

Financial year ended **31st December 2001**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	2001 year	£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 business 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 insurer has a participating interest		30							
Total sheet 1 (11 to 30)					39				



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

UK branch business

Financial year ended **31st December 2001**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	2001	£000	4
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		4770		234	
			Other	46		2321		4683	
		Variable interest	Approved securities	47		115		106	
			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				292	
		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		7206		5315		

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

UK branch business

Financial year ended **31st December 2001**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	2001	£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	954		681		
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	446		844		
		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	314		207		
	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	172		134		
	Deferred acquisition costs			85					
	Other prepayments and accrued income			86					
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	1886		1866		
Grand total of admissible assets (39+69+88)				89	9092		7181		
Reconciliation to asset values determined in accordance with the insurance accounts rules									
Total admissible assets (as per line 89 above)				91	9092		7181		
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)				92					
Solvency margin deduction for susidiary undertakings which are insurance undertakings				93					
Other differences in the valuation of assets (other than for assets not valued above)				94	486		326		
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)				95					
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99	9578		7507		
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100					

**Liabilities (other than long term insurance business)**Name of insurer **Chubb Custom Insurance Company**

UK branch business

Financial year ended **31st December 2001**

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	FC19045	UK	31 day	12 month	2001 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	1769		1446		
	Claims outstanding		12	5239		3290		
	Provision for unexpired risks		13					
	Equalisation provisions	Credit business	14					
		Other than credit business	15					
	Other		16					
	Total (11 to 16)		19	7008		4736		
Provisions for other risks and charges	Taxation		21					
	Other		22					
Deposits received from reinsurers			31					
Creditors	Arising out of insurance operations	Direct insurance business	41					
		Reinsurance accepted	42					
		Reinsurance ceded	43	2117		730		
	Debenture loans	Secured	44					
		Unsecured	45					
	Amounts owed to credit institutions		46					
	Other creditors	Taxation	47	5		18		
		Recommended dividend	48					
		Other	49	228		310		
Accruals and deferred income			51	42		12		
Total (19 to 51)			59	9400		5806		
Provision for adverse changes (calculated in accordance with rule 5.3) [Regulation 61 of the Insurance Companies Regulations 1994]			61					
Cumulative preference share capital			62					
Subordinated loan capital			63					
Total (59 to 63)			69	9400		5806		
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance			71					

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

UK branch business

Financial year ended **31st December 2001**

		Company registration number		GL/UK/CM		Period ended			Units	
		R16	FC19045	UK	31	12	2001	£000		
		This financial year		Previous year		Source				
		1		2		Form	Line	Column		
Transfer (to)/from the general insurance business technical account		From Form 20	11	(89)	(1375)	20 . 59				
		Equalisation provisions	12							
Transfer from the long term insurance business revenue account		13				40 . 26				
Investment income	Income	14	315	311						
	Value re-adjustments on investments	15								
	Gains on the realisation of investments	16	146							
Investment charges	Investment management charges, including interest	17	15	8						
	Value re-adjustments on investments	18								
	Loss on the realisation of investments	19		15						
Allocated investment return transferred to the general insurance business technical account		20			20 . 51					
Other income and charges (particulars to be specified by way of supplementary note)		21	11							
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	368	(1087)						
Tax on profit or loss on ordinary activities		31								
Profit or loss on ordinary activities after tax (29-31)		39	368	(1087)						
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	368	(1087)						
Dividends (paid and proposed)		51								
Profit or loss retained for the financial year (49-51)		59	368	(1087)						

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

UK branch business

Financial year ended **31st December 2001**Accounting class **Summary**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary	
		R20	FC19045	UK	31 day	12 month	2001 year	£000	99
Items to be shown net of reinsurance				This financial year		Previous year		Source	
				1		2		Form	Line
This year's underwriting (accident year accounting)	Earned premium	11	1434		858		21 . 19 . 5		
	Claims incurred	12	905		444		22 . 17 . 4		
	Claims management costs	13	72		43		22 . 18 . 4		
	Adjustment for discounting	14					22 . 52 . 4		
	Increase in provision for unexpired risks	15			(104)		22 . 19 . 4		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses	17	714		590		22 . 42 . 4		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(257)		(115)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21	156		31		21 . 11 . 5		
	Claims incurred	22	42		1186		22 . 13 . 4		
	Claims management costs	23	(54)		105		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	168		(1260)				
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	(89)		(1375)				
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(89)		(1375)				

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

UK branch business

Financial year ended **31st December 2001**Accounting class **Property**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary	
		R20	FC19045	UK	31 day	12 month	2001 year	£000	6
Items to be shown net of reinsurance				This financial year		Previous year		Source	
				1		2		Form	Line
This year's underwriting (accident year accounting)	Earned premium	11	305	292	21	19	5		
	Claims incurred	12	296	135	22	17	4		
	Claims management costs	13	19	15	22	18	4		
	Adjustment for discounting	14			22	52	4		
	Increase in provision for unexpired risks	15		(104)	22	19	4		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses	17	133	203	22	42	4		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(143)	43					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21			21	11	5		
	Claims incurred	22	(84)	(317)	22	13	4		
	Claims management costs	23	(8)	(23)	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	92	340					
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	(51)	383					
Allocated investment return		51							
Transfer to non-technical account (49+51)		59	(51)	383					

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

UK branch business

Financial year ended **31st December 2001**Accounting class **Third party liability**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary		
		R20	FC19045	UK	31	12	2001	£000	7	
				This financial year		Previous year		Source		
Items to be shown net of reinsurance				1		2		Form	Line	Column
This year's underwriting (accident year accounting)	Earned premium	11	1097	554	21	19	5			
	Claims incurred	12	600	307	22	17	4			
	Claims management costs	13	50	27	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	516	327	22	42	4			
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	(69)	(107)						
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21	156	31	21	11	5			
	Claims incurred	22	132	1508	22	13	4			
	Claims management costs	23	(48)	126	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	72	(1603)						
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	3	(1710)						
Allocated investment return		51								
Transfer to non-technical account (49+51)		59	3	(1710)						

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

UK branch business

Financial year ended **31st December 2001**Accounting class **Miscellaneous and pecuniary loss**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary		
		R20	FC19045	UK	31	12	2001	£000	8	
				day		month	year			
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		32		12		21	19	5
	Claims incurred	12		9		2		22	17	4
	Claims management costs	13		3		1		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		65		60		22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19		(45)		(51)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21						21	11	5
	Claims incurred	22		(6)		(5)		22	13	4
	Claims management costs	23		2		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		4		3				
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		(41)		(48)				
Allocated investment return		51								
Transfer to non-technical account (49+51)		59		(41)		(48)				



**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **Chubb Custom Insurance Company**

UK branch business

Financial year ended **31st December 2001**Accounting class **Property**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class	
				day	month	year			
		R21	FC19045	UK	31	12	2001	£000	6
		Gross premiums written		Reinsurers' share		Net of reinsurance			
		Earned in previous financial years 1	Unearned at end of this financial year 2	Earned in previous financial years 3	Unearned at end of this financial year 4	Earned in previous financial years 5	Unearned at end of this financial year 6		
Premiums receivable during the financial year									
In respect of risks incepted in previous financial years		11							
In respect of risks incepted in previous financial years		12	32	30		2			
In respect of risks incepted in this financial year	For periods of less than 12 months	13	281	245		36			7
	For periods of 12 months	14	71			71			22
	For periods of more than 12 months	15	41			41			44
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year		16	155			155			162
Total (12 to 16)		19	580	275		305			235

Name of insurer  
**Chubb Custom Insurance Company**

Financial year ended  
31st December 2001

### Accounting class

25

**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **Chubb Custom Insurance Company**

UK branch business

Financial year ended **31st December 2001**Accounting class **Miscellaneous and pecuniary loss**

		Company registration number		GL/UK/CM		Period ended		Units		Accounting class	
		R21	FC19045	UK		day	month	year	£000		
Premiums receivable during the financial year		Gross premiums written				Reinsurers' share				Net of reinsurance	
		Earned in previous financial years		Unearned at end of this financial year		Earned in previous financial years		Unearned at end of this financial year		Earned in previous financial years	
		1	2	3	4	5	6	7	8		
In respect of risks incepted in previous financial years	11										
In respect of risks incepted in previous financial years	12	2									
For periods of less than 12 months	13										
For periods of 12 months	14	48	18	20				28			18
For periods of more than 12 months	15										
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	4	9					4			9
Total (12 to 16)	19	54	27	22				32			27

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

UK branch business

Financial year ended **31st December 2001**Accounting class **Property**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class	
		R22	FC19045	UK	31 day	12 month	2001 year	£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	126	28	14	(84)			
	Reinsurers' share	12							
	Net (11-12)	13	126	28	14	(84)			
	Claims management costs	14	10	1	1	(8)			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15		105	191	296			
	Reinsurers' share	16							
	Net (15-16)	17		105	191	296			
	Claims management costs	18		4	15	19			
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	32	110	29	113			
	Other acquisition expenses	22							
	Administrative expenses	23		59		59			
	Reinsurance commissions and profit participations	24		39		39			
	Total (21+22+23-24)	29	32	130	29	133			
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	32	130	29	133			
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

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

UK branch business

Financial year ended **31st December 2001**Accounting class **Third party liability**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class	
		R22	FC19045	UK	31	12	2001	£000	7
			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	2942	831	3741	1630			
	Reinsurers' share	12	443	9	1932	1498			
	Net (11-12)	13	2499	822	1809	132			
	Claims management costs	14	200	7	145	(48)			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			1066	1066			
	Reinsurers' share	16			466	466			
	Net (15-16)	17			600	600			
	Claims management costs	18		2	48	50			
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	114	591	184	521			
	Other acquisition expenses	22							
	Administrative expenses	23		155		155			
	Reinsurance commissions and profit participations	24		160		160			
	Total (21+22+23-24)	29	114	586	184	516			
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	114	586	184	516			
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

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

UK branch business

Financial year ended **31st December 2001**Accounting class **Miscellaneous and pecuniary loss**

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class	
		R22	FC19045	UK	31 day	12 month	2001 year	£000	8
			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	12					(12)	
	Reinsurers' share	12	6					(6)	
	Net (11-12)	13	6					(6)	
	Claims management costs	14			2			2	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15				17		17	
	Reinsurers' share	16				8		8	
	Net (15-16)	17				9		9	
	Claims management costs	18			2		1	3	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21	1		16		3	14	
	Other acquisition expenses	22							
	Administrative expenses	23			54			54	
	Reinsurance commissions and profit participations	24			3			3	
	Total (21+22+23-24)	29	1		67		3	65	
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	1		67		3	65	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

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

Name of insurer

**Chubb Custom Insurance Company**

UK branch business

Financial year ended

**31st December 2001**

Accounting class

**Property**

Accounting class		Property										Company registration number				GL/UK/CM				Period ended			Units		Accounting class		
		Accident year ended		Claims paid (net) during the accident year		Claims outstanding (net) as at end of the accident year		Total claims paid (net) since the end of the accident year, but prior to this financial year		Claims paid (net) during this financial year		Claims outstanding carried forward		Claims outstanding brought forward		Balance on each accident year (4+5+6-7-8)		Deduction for discounting from claims outstanding carried forward (net)		Earned premiums (net)		Deterioration/ (surplus) of original reserve %		Claims ratio %			
																										day	
		R23		FC19045		UK																					
		Reported (net)		Incurred but not reported (net)		Reported (net)		Incurred but not reported (net)		Reported (net)		Incurred but not reported (net)		Reported (net)		Incurred but not reported (net)		Reported (net)		Incurred but not reported (net)		Reported (net)		Incurred but not reported (net)			
Month	Year	1		2		3		4		5		6		7		8		9		10		11		12		13	
12	2001	11						105		51		140					296										
12	2000	12						28		13							(80)										
12	1999	13								1							(4)										
12	1998	14																									
12	1997	15																									
12	1996	16																									
		17																									
		18																									
		19																									
		20																									
Prior accident years		21																									
Reconciliation		22																									
Total (11 to 22)		29						133		65		140					212										

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

Name of insurer

**Chubb Custom Insurance Company**

UK branch business

Financial year ended

**31st December 2001**

Accounting class

**Third party liability**

Accident year ended		Company registration number		GLUKICM		Period ended			Units		Accounting class	
		R23	FC19045	UK		day	month	year				
Month	Year	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)		Deterioration/ (surplus) of original reserve %		Claims ratio %	
		Reported (net)	Incurred but not reported (net)									
		Reported (net)	Incurred but not reported (net)									
12	2001	11										7
12	2000	12										
12	1999	13										
12	1998	14										
12	1997	15										
12	1996	16										
		17										
		18										
		19										
		20										
Prior accident years		21										
Reconciliation		22										
Total (11 to 22)		29										



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

Name of insurer

**Chubb Custom Insurance Company**

UK branch business

Financial year ended

**31st December 2001**

Accounting class

**Miscellaneous and pecuniary loss**

Accounting class		Miscellaneous and pecuniary loss										Company registration number		GL/UK/CM		Period ended			Units		Accounting class	
		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		
Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		
Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		
Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		
Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		
Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		
Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		Accounting class		
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**General insurance business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**

Name of insurer

**Chubb Custom Insurance Company**Accounting class **Property**

UK branch business

Currency

**Pounds Sterling**Financial year ended **31st December 2001**Risk group **United States Of America**

accident year																	
Accident year ended		Month		Year		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 %
										FC19045		UK		31			
										Reported		Incurred but not reported					
										Reported		Incurred but not reported					
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**General Insurance business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**

Name of insurer

**Chubb Custom Insurance Company**Accounting class **Miscellaneous and pecuniary loss**

UK branch business

Currency

**Pounds Sterling**

Financial year ended

**31st December 2001**

Risk group

**United States Of America**

Risk group		United States Of America										Company registration number		GL/UK/CM		Period ended			Monetary units		Country		Accounting class	
		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	1	2	3	4	5	6	7	8	9	10	11	12	2001	000	AB	8							
12	2001																							
12	2000																							
12	1999																							
12	1998																							
12	1997																							
12	1996																							

# Returns Under the Accounts and Statements Rules

General Business

Chubb Custom Insurance Company

UK Branch Business

Financial year ended 31 December 2001

## Statement required under rule 9.32 of the Accounts and Statements Rules

Accounting Classes	Cover Name	Type of Cover	Period of Cover	Limits (US\$m)	Maximum Net Probable Loss - One (US\$'000)	Maximum Net Probable Loss - All (US\$'000)	Premiums Payable (£'000)
Property	Excess of Loss	Excess of Loss	01/01/01 - 31/12/01	9m xs 1m	1,000	3,000	263
	Property Per Risk	Excess of Loss	01/04/01 - 31/03/02	20m xs 10m 35m xs 30m 85m xs 65m			8
	Property Catastrophe	Excess of Loss	01/04/01 - 31/03/02	25m xs 25m 50m xs 50m 100m xs 75m			4
Third Party Liability	First Through Third Blanket Casualty	Excess of Loss	01/01/01 - 31/12/01	25m xs 25m	5,000	15,000	227
	Casualty Excess	Excess of Loss	01/01/01 - 31/12/01	15m xs 10m			408
Miscellaneous and Pecuniary Loss	Special Casualty	Excess of Loss	01/01/01 - 31/12/01	9m xs 1m			762
	Excess of Loss	Excess of Loss	01/01/01 - 31/12/01	9m xs 1m	1,000	3,000	22

### SUMMARY

ACCOUNTING CLASS	FACULTATIVE REINSURANCE CEDED £'000	NON FACULTATIVE REINSURANCE CEDED £'000	TOTAL £'000
6	0	275	275
7	0	1,397	1,397
8	0	22	22
	0	1,694	1,694

### NOTE:

The Reinsurance premiums are booked at summary level per accounting class and as such are not detailed at contract level.

**Returns under the Accounts and Statements Rules**

**General business**      Statement required under rule 9.25 of the Accounts and Statements Rules

**Name of Company**      Chubb Custom Insurance Company

**UK Branch Business**

**Financial year ended**      31st December 2001

FULL NAME OF MAJOR REINSURER	ADDRESS OF REGISTERED OR PRINCIPAL OFFICE	CONNECTION WITH COMPANY & HOW CONNECTED	TOTAL NON-PROPORTIONAL	AMOUNT OF TOTAL GROSS PREMIUMS PAYABLE		AMOUNT OF ANY ANTICIPATED RECOVERIES	
				£'000	£'000	£'000	£'000
FEDERAL INSURANCE COMPANY	CAPITOL CENTER, 251 NORTH ILLINOIS, SUITE 1100, INDIANAPOLIS, INDIANA, USA	RELATED COMPANY, BEING IMMEDIATE PARENT	1,694	1,694	1,694	2,406	

Returns under the Accounts and Statements Rules

CHUBB CUSTOM INSURANCE COMPANY

Statement required under rule 9.26 of the Accounts and Statements Rules

UK Branch Business

Financial Year Ended: 31 December 2001

There were no major facultative reinsurers in the period.

Returns under the Accounts and Statements Rules

CHUBB CUSTOM INSURANCE COMPANY

Statement required under rule 9.27 of the Accounts and Statements Rules

UK Branch Business

Financial Year Ended: 31 December 2001

There were no major cedants in the period.



Returns under the Accounts and Statements Rules

CHUBB CUSTOM INSURANCE COMPANY

Statement required under Rule 9.29 of the Accounts and Statements Rules

UK Branch Business:

Financial Year Ended: 31 December 2001

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 Rule 9.29.

Returns under the Accounts and Statements Rules

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial Year Ended: 31 December 2001

## 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. Where the small size of a portfolio makes it impractical to apply these limits in the marketplace, 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**

There is no potential liability to tax on capital gains which might arise if the Company disposed of its assets and as such no provision has been made. There are no charges over assets.

The Company has no contingent liabilities, nor does it have any guarantees, indemnities 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 the Accounts and Statements Rules

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial Year Ended: 31 December 2001

SUPPLEMENTARY NOTES TO THE RETURN - continued

**1602 Differences in Brought Forward Figures**

Brought Forward figures are shown at the previous year's closing rate Currency translation adjustments are shown in the Profit And Loss Account.

**1603 Other Income and Charges**

Line 21 represents agents balances written off 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 General Insurance Business Classes**

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

**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.

Returns under the Accounts and Statements Rules

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial Year Ended: 31 December 2001

SUPPLEMENTARY NOTES TO THE RETURN - continued

**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.

**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 Chapter 6 of IPRU(INS).

Returns under the Accounts and Statements Rules

Certificate required by rule 9.34(a) of the Accounts and Statements Rules

**CHUBB CUSTOM INSURANCE COMPANY**

U K branch business

Financial year ended: 31 December 2001

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, (including the supplementary notes) and the statements required by rules 9.25, 9.26, 9.27 9.29 and 9.32 that:
    - (i) the return has been prepared in accordance with the Accounts and Statements Rules;
    - (ii) proper accounting records have been maintained and adequate information has been obtained by the insurer; and
    - (iii) appropriate systems and controls have been established and maintained by the insurer over its transactions and records;
  - (b) that reasonable enquiries have been made by the insurer for the purpose of determining whether any person and any body corporate are connected for the purposes of rules 9.25, 9.26 and 9.27;
  - (c) that in respect of the insurers' business which is not excluded by rule 7.6, the assets held throughout the financial year enabled the insurer to comply with rules 7.1 to 7.5 (matching and localisation);
  - (d) in relation to the statement required by rule 9.36:
    - (i) that for the purpose of preparing the statement, proper accounts and records have been maintained; and
    - (ii) that the information given has been ascertained in conformity with that rule.
- (2) that the UK margin of solvency required by rule 2.1 has been maintained throughout the financial year.
  - (3) (a) that the insurer has kept throughout the financial year admissible assets representing the required United Kingdom minimum margin of an amount at least equal to the appropriate guarantee 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 the other EEA States; and
  - (b) that the deposit made in accordance with rule 8.1 has been maintained throughout the year at a level equal to at least the minimum.

Returns under the Accounts and Statements Rules

Certificate required by rule 9.34(a) of the Accounts and Statements Rules

**CHUBB CUSTOM INSURANCE COMPANY**

U K branch business

Financial year ended: 31 December 2001

(continued)

(4) (a) that the systems and controls established and maintained by the insurer in respect of its business complied at the end of the financial year with the following published guidance:

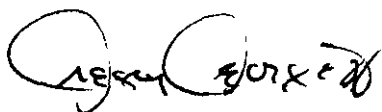
- i) Guidance Note P.1 - 'Systems and controls over the investments (and counterparty exposure) of insurers with particular reference to the use of derivatives'; and
- ii) Guidance Note P.2 - 'Systems and controls over general business claims provisions';

and it is reasonable to believe that those systems and controls 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) Guidance Note 4.1 - 'Guidance for insurers and auditors on the Valuation of Assets Rules'; and
- ii) Guidance Note 9.1 - 'Preparation of Annual Returns'

(5) that proper accounting records have been maintained in the United Kingdom in respect of business carried on through a branch of the company in the United Kingdom.



\_\_\_\_\_  
Gregory Georgieff  
Authorised Representative



\_\_\_\_\_  
David Stevens  
Accounting Manager

Date: 29 April 2002

## Returns under the Accounts and Statements Rules

### **Report of the auditors to the directors pursuant to rule 9.35 of the Accounts and Statements Rules**

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial year ended: 31 December 2001

We have examined the following documents prepared by the company pursuant to the Accounts and Statements Rules set out in part I of chapter 9 to the Interim Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000 ("the Act").

- Forms 9 to 13, 15 and 16, 20 to 23 and 31 (including the supplementary notes) ("the Forms")
- the statements required by rules 9.25, 9.26, 9.27 and 9.29 on pages 37 to 40 ("the statements"); and
- the certificate signed in accordance with rule 9.34(a) on pages 43 and 44 ("the certificate")

In the case of the certificate, our examination did not extend to paragraph 1 in relation to the statements required by rule 9.32 concerning general insurance business ceded.

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

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

It is our responsibility to form an independent opinion as to whether the Forms and 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. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

**Report of the auditors to the directors pursuant to rule 9.35 of the Accounts and Statements Rules**

CHUBB CUSTOM INSURANCE COMPANY

UK Branch Business

Financial year ended: 31 December 2001

(continued)

**Basis of opinions**

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom" 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 insurer 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 rule 9.11.

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 Rules and have been properly prepared in accordance with the provision of those Rules; 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 Rules; and
  - (ii) it was not unreasonable for the persons giving the certificate to have made the statements therein.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London  
29 April 2002