AC CO1745

# Chubb Custom Insurance Company

**UK BRANCH RETURN** 



# 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)

Produced using FormeGen<sup>18</sup>

### Statement of solvency

Name of insurer

**Chubb Custom Insurance Company** 

UK branch business

Financial year ended

31st December 2001

		Company registration number GL/UK/CM			eriod end	_ ,	. Units	
		FC19045	UK	day 31	month 12	year		E000
		As at the end of this financial year	the p	the en previou year		£	Source	Ę
		1		2		F	Line	Colur

# 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	

# 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

Dexel Box x 28

**Gregory Georgieff** 

**Authorised Representative** 

**David Stevens** 

**Accounting Manager** 

# Statement of net assets

Name of insurer

**Chubb Custom Insurance Company** 

UK branch business

Financial year ended

31st December 2001

rinandai year ended	31st December 2001		Company registration number	GL/UK		Period end	ed year	_ Un	nits
		R10	FC19045	UK	31	12	2001	£0	00
			As at the end this financia year 1	,	As at the he previo	ous year	Form	Source	Column
Long term insurance bus	siness - admissible assets	11					13	. 89 .	. 1
Long term insurance bus	siness - liabilities and margins	12			<del>-</del>	·· ·	14	. 59 .	. 1
Other than Long term insurar	nce business - admissible assets	21	117	23		7777	13	. 89 .	. 1
Other than Long term ins	surance business - liabilities	22	94	00		5806	15	. 69 .	. 1
Net admissible assets (2	1-22)	23	23	23		1971			
Other assets allowed to be taken into account in	Unpaid amounts (including share premium) on partly paid shares	24							
covering the required minimum margin	Supplementary contributions for a mutual carrying on general insurance business	25							
Liabilities allowed to be left out of account in	Subordinated loan capital	26							
covering the required minimum margin	Cumulative preference share capital	27							
Available assets (23 to 2	7)	29	23	23		1971			
Represented by:									
Paid up share capital (ot preference share capital)		51							
Amounts included in line	s 24 to 27 above	52	· · · · · · · · · · · · · · · · · · ·						
Amounts representing th	e balance of net assets	56	23	23		1971			
Total (51 to 56) and equa	al to line 29 above	59	23	23		1971			
Movement of balance of purposes - as per line	of net assets for solvency 56								
Balance brought forward financial year	at the beginning of the	61	19	71		2354	10	. 56 .	2
Retained profit/(loss) for	the financial year	62	3	68		(1087)	16	. 59 .	1
Movement in asset valua	ition differences	63	(1	60)		383	See i	nstruct	ion 2
Decrease/(increase) in the changes	ne provision for adverse	64					See i	nstruct	ion 3
Other movements (partic way of supplementary no	culars to be specified by ote)	65	1	44		321			
Balance carried forward (61 to 65)	at the end of the financial year	69	23	23		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 er month	nded year	Units
		F	R11	FC19045	UK	31	12	2001	£000
					This financi year	al		Previo yea	
					1			2	
Gross premium	is receivable			11		2612			1523
Premium taxes	and levies (in	ncluded in line 11)		12					
Sub-total A (1	1-12)			13		2612			1523
Adjusted Sub-to period to produ		cial year is not a 12 month figure		14		.,			
Distance of	Other than health	Up to and including sterling equivalent of 10M EURO x		15		470	)		274
Division of Sub-total A (or adjusted	insurance	Excess (if any) over 10M EURO x 16/100		16					
Sub-total A if appropriate)	Health	Up to and including sterling equivalent of 10M EURO x		17	<u> </u>				
	insurance	Excess (if any) over 10M EURO x 16/300		18					
Sub-total B (1	5+16+17+18	)		19		470	)		274
Claims paid				21		964	1		61
Claims outstan		For insurance business action on an underwriting year		22					
end of the finar year	ncial	For insurance business ac for on an accident year ba		23		5029	•		3080
Claims outstan		For insurance business ac for on an underwriting year		24					
beginning of the financial year	e	For insurance business ac for on an accident year bar		25		3080	)		1576
Sub-total C (2	21+22+23-(24	+25))		29		2913	3		1565
Amounts recov of claims include		einsurers in respect al C		30		1966	}		(65)
Sub-total D (2	29-30)			39		947	7		1630
First result Sub-total B x	Sub-total D	(or, if ½ is a greater fraction.	, x ½)	41		235	5		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 y	year ended	31st December 2001		Company registration number	GL/UK/CM		eriod end month			Uni	its
		ſ	R12	FC19045	UK	day 31	12	ye:	<u>ar</u> 001	£0	00
	· · · · · · · · · · · · · · · · · · ·			This fina year		y	vious ear 2		Form	Source	Column
		nancial years) Insert "0" if there is ise insert "3" or "7"	3 11							nstruct	1
	n reference pe		21		2034		231	1			<del></del>
Claims outsta		For insurance business accounted for on an underwriting year basis	22	2				7			
forward at the reference per		For insurance business accounted for on an accident year basis	23	3	5029		308	10		· • · · · ·	
Claims outsta		For insurance business accounted for on an underwriting year basis	24	ı							
forward at the the reference		For insurance business accounted for on an accident year basis	25		997		71	8		•	
Sub-total E (	21+22+23-(24	+25))	29	)	6066		467	3	<del>, , , , ,</del>		
		f Sub-total E to annual figure (Multiply by onths in reference period)	<sup>12</sup> 31		2022		155	8			
	Other than	Up to and including sterling equivalent 7M EURO x 26/100	of 32	2	526		40	5			
Division of	health insurance	Excess (if any) over 7M EURO x 23/10	0 33								
Sub-total F	Health	Up to and including sterling equivalent 7M EURO x 26/300	of 34								
	insurance	Excess (if any) over 7M EURO x 23/30	0 35	5							
Sub-total G	32 to 35)		39	)	526		40	5			
Second resu	it Sub-total	G x <u>Sub-total D</u> (or, if ½ is a greater Sub-total C fraction, x ½)	41		263		40	5			
F N			42		225		27	<u> </u>	11	. 41	
First result	ain at salesses	u (the higher of lines 44 and 40)		-	235		40	$\dashv$	• I I	- 71	
Required mai	gin of solvenc	y (the higher of lines 41 and 42)	43	'	263		40				
Minimum gua	rantee fund		44	ļ	124		11	6			
Required min	imum margin	(the higher of lines 43 and 44)	49	•	263		40	5			

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		eriod en		Units	Category of assets
		R13	FC19045	UK	day 31	month 12	year 2001	£000	1
Investments						As at	t the end of financial year 1	As at the	the end of previous year 2
Land and buildings					11				
	UK insurance	Shares			21				
	business dependants	Debt securities issued	by, and loans to, de	pendants	22				
	Other insurance	Shares 2							
	dependants	Debt securities issued	by, and loans to, de	pendants	24				
investments in group undertakings	Non-insurance	Shares			25				
and participating interests	dependants	Debt securities issued	by, and loans to, de	pendants	26				
		Shares			27				
	Other group undertakings and	Debt securities issued	by, and loans to, gro	oup undertaking	28				
	participating interests	Participating interests			29				
		Debt securities issued which the insurer has a			30				
Total sheet 1 (11 to 3	0)				39				

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	day	Period er month	nded year	Units	Category of assets
			R13	FC19045	UK	31	12	2001	£000	1
Deposits wi	s (continued) ith ceding underta I to cover linked li	kings abilities			<u> </u>	<u> </u>	this	the end of financial year 1	the	the end of previous year
	Equity shares	-				41				
	Other shares and other	variable yield s	securities			42				
	Holdings in collective in	vestment schei	mes			43				
	Rights under derivative	contracts				44				<del>.</del>
		Finalia		Approved securitie	s	45		4770		234
	Debt securities and	Fixed interes	31	Other		46		2321		4683
	other fixed income securities	Variable inte	raet	Approved securitie	s	47		115		106
			Other		48					
Other financial investments				<del></del>		49				
	Loans secured by mortg	ages			50					
			ans to public or local authorities and nationalised sustries or undertakings 51							
	Other loans	Loans secure company	ed by polici	ies of insurance issu	ed by the	52				
		Other				53				<u> </u>
	Deposits with approved credit institutions and	Withdrawal s	subject to a	time restriction of or	e month or less	54				292
	approved financial institutions	Withdrawal s month	subject to a	time restriction of m	ore than one	55				
	Other					56				
Deposits with ce	ding undertakings					57				
Assets hold to m	natch linked liabilities	Index linked				58				
Assets field to fi	rater ninee nabines	Property links			59				- ""	
		Provision for	unearned	premiums		60		9		
Doingurgers' short	e of technical provisions	Claims outsta	anding			61		2406		449
remarkes stat	e or technical provisions	Provision for	unexpired	risks		62	• • •			
		Other				63				
Total sheet 2 (41	t to 63)					69		9621		5764

Name of insurer

**Chubb Custom Insurance Company** 

UK branch business

Financial year ended

31st December 2001

Category of ass	sets To	tal other t	than long	term busine Company registration number	GL/UK/CM	day	Period e month	<del></del>	Units	Category of assets
			R13	FC19045	UK	31	12	2001	£000	1
Debtors Other assets		-	<u> </u>		·		:	t the end of financial year 1	the	the end of previous year 2
Debtors arising out	Policyholders					71				·
of direct insurance operations	Intermediaries					72		954		681
Salvage and subrog	ation recoveries		·			73				
Debtors arising out	Due from ceding accepted	insurers and ir	ntermediaries	under reinsurance b	ousiness	74				
of reinsurance operations	Due from reinsur	ers and interm	ediaries unde	r reinsurance contra	cts ceded	75				
	Due from	Due in 12 n	nonths or less	s after the end of the	financial year	76				
_	dependants	Due more t	han 12 month	ns after the end of the	e financial year	77		_		
Other debtors		Due in 12 n	nonths or less	s after the end of the	financial year	78		446		844
	Other	Due more t	han 12 month	ns after the end of the	e financial year	79				
Tangible assets	<del></del>	<del></del>				80				
Cash at bank and				thdrawal, with appro-		81		314		207
n hand	Cash in hand					82				
Other assets (partic	ulars to be specifie	d by way of su	oplementary i	note)		83				
	Accrued interest	and rent				84		172		134
Prepayments and accrued income	Deferred acquisit	tion costs		<del> </del>		85		216		147
	Other prepaymer	nts and accrue	d income			86				
Deductions (under r	ules 4.14(2)(b) and	4.14(3)) from	the aggregate	e value of assets		87				
Total sheet 3 (71 to	86 less 87)					88		2102		2013
Grand total of admis	ssible assets (39+6	9+88)				89		11723		7777
Reconciliation to a insurance account		mined in acco	rdance with	the						
Total admissible as	sets (as per line 89	above)				91		11723		7777
Total assets in exce Rules before applying			pendix 4.2 (a	s valued in accordan	ce with those	92				
Solvency margin de	duction for susidiar	y undertakings	which are in	surance undertaking	S	93				
Other differences in	the valuation of as	sets (other tha	n for assets n	ot valued above)		94		486		326
Assets of a type not	valued above, (as	valued in accor	dance with the	ne insurance accoun	ts rules)	95				
Total assets determ	ined in accordance	with the insur	ance account	s rules (91 to 95)		99		12209		8103
Amounts included in contracts of insuran		e to debts due	from related i	nsurers, other than t	hose under	100	1			····

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	OL BUZIET	P	eriod en	ded	11-14-	Category of
•			number	GL/UK/CM	day	month	year	Units	assets
		R13	FC19045	UK	31	12	2001	£000	2
investments					_	,	t the end of financial year 1	the	the end of previous year 2
Land and buildings					11				
	UK insurance	ares			21				
	business dependants	bt securities issued	1 by, and loans to, de	pendants	22				
	Other insurance	ares		23					
	dependants	bt securities issued	i by, and loans to, de	pendants	24				
Investments in group undertakings	Non-insurance	ares			25				
and participating interests	dependants	bt securities issued	l by, and loans to, de	pendants	26				_ <del>_</del>
		ares			27				
	Other group undertakings and	ebt securities issued	d by, and loans to, gro	up undertakings	28				·
	participating interests	rticipating interests			29				
			t by, and loans to, un a participating intere		30				
Total sheet 1 (11 to 3	(0)				39				

Category

# 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 er month	nded Year	Units	of assets
			R13	FC19045	UK	day 31	12	2001	£000	2
Deposits wi	s (continued) ith ceding underta I to cover linked li		<u> </u>	<u></u>	:	<u></u>		the end of financial year 1	the	the end of previous year 2
	Equity shares					41				
	Other shares and other	variable yield se	curities			42				
	Holdings in collective in	vestment schem	es			43				
	Rights under derivative	contracts				44				
		Fixed interest		Approved securitie	s	45				
	Debt securities and	Fixed fillerest		Other		46				
	other fixed income securities	Variable intere	est	Approved securitie	s	47		115		106
Other financial			Other							
nvestments	er financial estments Participation in investr					49				
	Loans secured by mort	50								
		Loans to publi industries or u	ns to public or local authorities and nationalised stries or undertakings 51							
	Other loans	Loans secured by policies of insurance issued by the company								
		Other								
	Deposits with approved credit institutions and	Withdrawal su	Withdrawal subject to a time restriction of one month or less							
	approved financial institutions	Withdrawal su month	Withdrawal subject to a time restriction of more than one month							
	Other					56				
Deposits with co	eding undertakings					57				
Assate hald to a	natch linked liabilities	Index linked				58		·—		
Assets Held (O).	nator mixed flabilities	Property linke	d			59				
		Provision for L	inearned	premiums		60				
Reinsurers' sha	re of technical provisions	Claims outsta	nding			61	2			
	a- vasvinosi protigiona	Provision for u	inexpired	risks		62				
		Other				63				
Total sheet 2 (4	1 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	day	Period en month	ded year	Units	Category of assets
			R13	FC19045	UK	31	12	2001	£000	2
Debtors Other assets					<u> </u>		this	the end of financial year 1	the	the end of previous year 2
Debtors arising out	Policyholders			_		71				•
of direct insurance operations	Intermediaries					72				
Salvage and subroga	ition recoveries					73			ĺ	
Debtors arising out	Due from ceding i accepted	insurers and inte	rmediaries	under reinsurance b	usiness	74				
of reinsurance operations	Due from reinsure	ers and intermed	iaries unde	r reinsurance contra	cts ceded	75				
	Due from	Due in 12 mo	nths or less	after the end of the	financial year	76				
Other debtors	dependants	Due more tha	n 12 month	s after the end of the	financial year	77				
Other debtors	Other	Due in 12 mo	nths or less	after the end of the	financial year	78				
	Other	Due more tha	n 12 month	s after the end of the	financial year	79				
Tangible assets						80				
Cash at bank and				hdrawal, with approve and local authorities		81				
in hand	Cash in hand					82				
Other assets (particu	ilars to be specified	l by way of suppl	ementary n	ote)		83				
	Accrued interest a	and rent				84				
Prepayments and accrued income	Deferred acquisiti	on costs				85				
	Other prepayment	ts and accrued in	ncome			86				
Deductions (under ru	iles 4.14(2)(b) and	4.14(3)) from the	aggregate	value of assets		87				
Total sheet 3 (71 to 8	36 less 87)					88				·
Grand total of admis	sible assets (39+69	)+88)				89		115		106
Reconciliation to as insurance accounts		nined in accord	ance with 1	the			_			
Total admissible ass	ets (as per line 89 a	above)	-			91		115		106
Total assets in exces Rules before applyin			ndix 4.2 (as	valued in accordance	e with those	92				-
Solvency margin ded	uction for susidiary	undertakings wi	nich are ins	urance undertakings		93				
Other differences in t	the valuation of ass	ets (other than fo	or assets no	ot valued above)		94				
Assets of a type not v	alued above, (as va	alued in accorda	nce with the	e insurance accounts	rules)	95				
Total assets determine	ned in accordance	with the insurance	e accounts	rules (91 to 95)		99		115		106
Amounts included in contracts of insurance		to debts due fro	n related in	surers, other than th	ose under	100				

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	<u>`</u>	eriod en		Units	Category of assets
		R13	FC19045	UK	day 31	month 12	year 2001	£000	3
Investments			<u>!</u>	!			t the end of financial year 1	the	the end of previous year 2
Land and buildings					11				
	UK insurance	Shares			21				
	business dependants	Debt securities issue	ed by, and loans to, de	pendants	22		<del>.</del>		
	Other insurance	Shares		23					
	dependants	Debt securities issue	ed by, and loans to, de	pendants	24				
Investments in group undertakings	Non-insurance	Shares			25				
and participating interests	dependants	Debt securities issue	ed by, and loans to, de	pendants	26				
		Shares			27				
	Other group undertakings and	Debt securities issue	ed by, and loans to, gre	oup undertaking	s 28				
	participating interests	Participating Interest	s		29			-	,
			ed by, and loans to, un s a participating intere		30				
Total sheet 1 (11 to 3	0)				39				

Category

# 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	day	Period ei month	nded year	បnits	of assets
			R13	FC19045	UK	31	12	2001	£000	3
Deposits wi	s (continued) ith ceding underta I to cover linked li	kings abilities					1	the end of financial year 1	the	the end of previous year 2
	Equity shares					41		· · · · · · · · · · · · · · · · · · ·		
	Other shares and other	variable yield s	ecurities			42				
	Holdings in collective in	vestment scher	nes			43				
	Rights under derivative	contracts				44				
		Fixed interes	•	Approved securities	S	45		4770		234
	Debt securities and	Fixed interes		Other		46		2321		4683
	other fixed income securities	Variable inter	reet	Approved securities	3	47		115		106
0.0 fi-l		Variable me		Other	48					
Other financial investments	Participation in investme	ent pools	49							
	Loans secured by mortg	· · · · · · · · · · · · · · · · · · ·								
		Loans to public or local authorities and nationalised industries or undertakings				51				
	Other loans	Loans secure company	oans secured by policies of insurance issued by the ompany							
		Other				53				
	Deposits with approved credit	Withdrawal s	ubject to a	a time restriction of on	e month or less	54				292
	institutions and approved financial institutions	Withdrawal s	ubject to a	a time restriction of m	ore than one	55				
	Other					56				
Deposits with ce	ding undertakings					57				
Access hold to m	atch linked liabilities	Index linked				58		\		
Assets held to h	atti iliked liabilities		59	:   						
		Provision for	unearned	premiums		60				
Paineurare' ehar	e of technical provisions	Claims outsta	anding			61				
(Cinouicia alla)	a or received pronoutils	Provision for	unexpired	risks		62				
		Other				63				
Total sheet 2 (41	to 63)					69 7206			5315	

Name of insurer

**Chubb Custom Insurance Company** 

UK branch business

Financial year ended

31st December 2001

<u>-</u>	ets <b>As</b>			the United K Company registration	<b>3</b>	P	eriod en	ded		Category of
			<del></del>	num ber	GL/UK/CM	day	month	уеаг	Units	assets
			R13	FC19045	UK	31	12	2001	£000	3
Debtors Other assets					-			the end of financial year 1	the	the end of previous year 2
Pebtors arising out	Policyholders	<del></del>	<del></del>	<del></del>		71		<del> </del>		
f direct insurance perations	Intermediaries		· · · · · · · · · · · · · · · · · · ·			72		954		681
alvage and subroga	ation recoveries					73				
ebtors arising out	Due from ceding accepted	insurers and i	ntermediaries	under reinsurance i	ousiness	74				
freinsurance perations	Due from reinsur	ers and interm	rediaries unde	r reinsurance contra	icts ceded	75				
	Due from	Due in 12 r	months or less	after the end of the	financial year	76				
Nhas dabtara	dependants	Due more	than 12 month	s after the end of th	e financial year	77				
ther debtors	Other	Due in 12	months or less	after the end of the	financial year	78		446		844
	Other	Due more	than 12 month	s after the end of th	e financial year	79				
angible assets	,					80				
ash at bank and				hdrawal, with appro and local authoriti		81		314		207
hand	Cash in hand					82				
Other assets (partic	ulars to be specifie	ed by way of su	ipplementary n	ote)		83				
repayments and	Accrued interest	and rent				84		172		134
ccrued income	Deferred acquisi	tion costs				85				
	Other prepayme					86			-	
Deductions (under n	ules 4.14(2)(b) and	i 4.14(3)) from	the aggregate	value of assets		87				
Total sheet 3 (71 to	86 less 87)					88	 	1886	-	1866
Grand total of admis		-· · · · · · · · · · · · · · · · · · ·	ordance with	tha		89		9092	<u> </u>	7181
nsurance account	s rules	<del></del>						0000	<del></del>	7404
Fotal admissible as: Total assets in exce			ppendix 4 2 (as	s valued in accordar	ice with those	91		9092		7181
Rules before applyir	ng admissibility lim	its)				92			<del> </del>	
				surance undertaking	s 	93		400		
Other differences in						94		486	-	326
				e insurance accoun	ts rules)	95		0570	1	7507
i otal assets determ	ined in accordance	e with the insui	rance accounts	s rules (91 to 95)		99		9578		7507

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	GL/UK/CM		eriod en		Units	Category of
			R13	FC19045	UK	day 31	month 12	year 2001	£000	assets 4
Investments				<u> </u>	i			t the end of financial year 1	the	the end of previous year
Land and buildings						11				·
	UK insurance	Shares				21				
	business dependants	Debt securities	s issued t	by, and loans to, dep	pendants	22				
	Other insurance	Shares			23					
	dependants	Debt securities	s issued t	by, and loans to, de	pendants	24				
Investments in group undertakings	Non-insurance	Shares				25				
and participating interests	dependants	Debt securities	s issued t	by, and loans to, de	pendants	26				
		Shares				27				
	Other group undertakings and	Debt securities	s issued t	by, and loans to, gro	up undertakings	28				
	participating interests	Participating in	iterests			29				
				by, and loans to, und participating interes		30				
Total sheet 1 (11 to 3	0)					39		<del></del>		

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	day	eriod er month	year	Units	Category of assets
			R13	FC19045	UK	31	12	2001	£000	4
Deposits wi	s (continued) th ceding undertal to cover linked lia	kings abilities		<u> </u>	<u> </u>			the end o financial year 1		the end of previous year 2
	Equity shares					41				
	Other shares and other	ariable yield sec	urities			42				
	Holdings in collective inv	estment scheme	S			43				
	Rights under derivative of	ontracts				44				
!				s	45		4770	)	234	
	Debt securities and	Fixed interest	Other					232	1	4683
İ	other fixed income securities	Verioble interes		Approved securitie	47		118	5	106	
		Variable interes	Other							
Other financial nvestments	Participation in investment pools									
	Loans secured by mortg	50								
		Loans to public industries or un		authorities and natio	onalised	51				
	Other loans	Loans secured company	by polic	ies of insurance issu	ed by the	52				
		Other								
	Deposits with approved credit	Withdrawal sub	drawal subject to a time restriction of one month or less							292
	institutions and approved financial institutions	Withdrawal sub month	ject to a	ı time restriction of m	ore than one	55				
	Other					56	1			
Deposits with co	eding undertakings	-				57		-		
A		Index linked				58				
Assets field to fi	natch linked liabilities	Property linked				59				
		Provision for un	earned	premiums		60				
Painausasi at a	ro of tookning!	Claims outstan	ding			61				
remsurers sna	re of technical provisions	Provision for un	expired	Tisks		62				
		Other				63				
Total sheet 2 (4	1 to 63)	<del>                                     </del>		<del></del>		69		720	3	5315

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	•		Period en			Category of
		number	GL/UK/CM	day	month	year	Units	assets
	R13	FC19045	UK	31	12	2001	£000	4
		<u> </u>				the end of	1	the end of

			R13	FC19045	UK	31	12	2001	£000	4
Debtors Other assets								the end of financial year 1	f As at the end the previous year 2	
Debtors arising out	Policyholders					71		· <del></del>		
of direct insurance operations	Intermediaries					72		954		681
Salvage and subrog	ation recoveries					73				
Debtors arising out	Due from ceding accepted	insurers and inte	mediaries	under reinsurance b	usiness	74				
of reinsurance operations	Due from reinsu	rers and intermedi	aries under	reinsurance contrac	cts ceded	75				•
	Due from	Due in 12 mor	ths or less	after the end of the	financial year	76				
<b>M.</b> I <b>J</b> . I	dependants	Due more than	12 months	s after the end of the	financial year	77				
Other debtors		Due in 12 mor	iths or less	after the end of the	inancial year	78		446		844
	Other	Due more than	12 months	s after the end of the	financial year	79	•			
Tangible assets						80	•			
Cash at bank and				ndrawal, with approv and local authoritie		81		314		207
in hand	Cash in hand					82				
Other assets (partic	ulars to be specific	ed by way of supple	ementary no	ote)		83				
	Accrued interes	t and rent				84		172		134
Prepayments and accrued income	Deferred acquis	ition costs				85				
	Other prepayme	ints and accrued in	come			86				
Deductions (under n	ules 4.14(2)(b) and	d 4.14(3)) from the	aggregate	value of assets		87				
Total sheet 3 (71 to	86 less 87)					88		1886		1866
Grand total of admis	sible assets (39+6	59+88)				89		9092		7181

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

insurance accounts rules	<u>.</u>		
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	100
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/C	M day	eriod end month	ed year	Units
		R15	FC19045	UK	31	12	2001	£000
		<u> </u>		,	As at the this fin ye	ar	the	the end of previous year 2
	Provision for unearned premiums			11		1769	İ	1446
	Claims outstanding			12	-	5239		3290
Technical	Provision for unexpired risks			13		·		
orovisions (gross		Credit busin	iess	14				
amount)	Equalisation provisions	Other than	credit business	15	٠			
	Other	<del></del>		16				-
	Total (11 to 16)			19		7008		4736
Provisions for	Taxation			21				
other risks and charges	Other			22				
Deposits recei	ved from reinsurers			31				
		Direct insur	ance business	41				
	Arising out of insurance operations	Reinsuranc	e accepted	42				
		Reinsuranc	e ceded	43		2117		730
		Secured		44				•
Creditors	Debenture loans	Unsecured		45				
	Amounts owed to credit institutions	···		46				
		Taxation		47		5		18
	Other creditors	Recommen	ded dividend	48				
		Other		49		228		310
Accruals and o	deferred income			51		42		12
Total (19 to 51	)			59		9400		5806
	dverse changes (calculated in accordance wi	th rule 5.3) [Re	gulation 61	61				
	eference share capital			62				
Subordinated I	oan capital			63				
Total (59 to 63	)			69		9400		5806
	ded in line 69 attributable to liabilities to relate s of insurance or reinsurance	d insurers, oth	er than those	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		riod en month		rear	Un	ilts
			R16	FC19045	UK	31	12	7	2001	£(	000
				This financy year	ial	Prev ye	ar		Form	Sourc	Column
Transfer (to)/from the general insurance be		From Form 20	11		(89)		(137	'5)	20	. 59	
technical account		Equalisation provisions	12								
Transfer from the lo account	ng term in	surance business revenue	13						40	. 26	
	Income		14		315		31	1			
Investment income	Value re- investme	adjustments on nts	15								
	Gains on investme	the realisation of nts	16		146						
	Investme including	nt management charges, interest	17	_	15			8			
Investment charges	Value re- investme	adjustments on nts	18								
•	Loss on t	he realisation of nts	19				1	15			
Allocated investmer insurance business		insferred to the general account	20						20	. 51	
Other income and of by way of supplemental		irticulars to be specified )	21		11			:			
Profit or loss on ord (11+12+13+14+15+			29		368		(108	37)			
Tax on profit or loss	on ordina	ry activities	31								
Profit or loss on ord	inary activi	ities after tax (29-31)	39		368		(108	7)			
Extraordinary profit by way of suppleme		rticulars to be specified	41					_			
Tax on extraordinar	y profit or l	oss	42								
Other taxes not sho	wn under t	he preceding items	43								
Profit or loss for the	financial y	rear (39+41-(42+43))	49		368		(108	7)			
Dividends (paid and	proposed)		51								
Profit or loss retained	ed for the fi	nancial year (49-51)	59		368		(108	37)			

Name of insurer

**Chubb Custom Insurance Company** 

UK branch business

Financial year ended

31st December 2001

Accounting class

Summary

				Company registration number	GL/UK		eriod end month	ed year	Units	•	Accour class/ cumma	_
			R20	FC19045	UK	31	12	2001	£000		99	<del></del>
				<u></u>			nancial	Previo	us year	s	iourc	e
Items to be si	lowi	n net of reinsurance					ear 1		2	Form	Line	Column
	Ear	ned premium			11	1	1434	İ	858	21	. 19	. 5
	Clai	ms incurred			12	2	905		444	22	. 17	. 4
_	Clai	ms management costs			13	3	72		43	22	. 18	. 4
This year's underwriting	Adjı	ustment for discounting			14	ı				22	. 52	. 4
(accident year accounting)	Incr	ease in provision for une	xpired ris	ks	15	5			(104)	22	. 19	. 4
 :		er technical income or cl cified by way of supplem			16	5					,	-
	Net	operating expenses			17	·	714		590	22	. 42	. 4
	Bala	ance of year's underwriting	ng (11-12	-13+14-15+16-1	7) 19	3	(257)		(115)			
	Ear	ned premium			21	1	156		31	21	. 11	. 5
	Cla	ims incurred			22	2	42		1186	22	. 13	. 4
Adjustment for	Cla	ims management costs			23	3	(54)		105	22	. 14	. 4
prior years' underwriting	Adj	ustment for discounting			24	1				22	. 51	. 4
(accident year accounting)		er technical income or c cified by way of supplem			25	5						
	Net	operating expenses			26	5				22	. 41	. 4
	Bala	ance (21-22-23+24+25-2	6)		29	•	168		(1260)			
		Per Form 24	_		31					24 .	69. 9	<del>3</del> 9-99
Balance from underwriting ye accounting	ar	Other technical income be specified by way of			to 32	2						
_		Total			39	3		1				
Balance of all y	ears'	underwriting (19+29+39	)		49	9	(89)		(1375)			
Allocated inves	tmen	t return			51	1						
Transfer to non-	-tech	nical account (49+51)	<u> </u>		59	3	(89)		(1375)			

Name of insurer

**Chubb Custom Insurance Company** 

UK branch business

Financial year ended

31st December 2001

Accounting class

Property

			Company registration number	GL/UK/C	M Peri day π	iod end	ed year	Units	C	lass/ umma	_
		R20	FC19045	UK	31	12	2001	£000		6	
			<u> </u>		This fina		Previou	s year	s	ource	—_ e
Items to be sl	nown net of reinsurance				year 1		2		Form	Line	Column
	Earned premium		<del>-</del>	11		305		292	21 .	19	. 5
	Claims incurred			12		296		135	22 .	. 17 .	. 4
	Claims management costs			13		19		15	22	. 18	. 4
This year's underwriting	Adjustment for discounting			14					22 .	. 52	. 4
(accident year accounting)	Increase in provision for un	expired ris	ks	15				(104)	22	. 19	. 4
	Other technical income or o specified by way of supplen			16		•					
	Net operating expenses			17		133		203	22 .	42	. 4
	Balance of year's underwriti	ng (11-12	-13+14-15+16-1	7) 19	(	(143)		43			
	Earned premium			21					21 .	. 11	. 5
	Claims incurred			22		(84)		(317)	22 .	. 13	. 4
Adjustment for	Claims management costs			23		(8)	1	(23)	22 .	. 14	. 4
prior years' underwriting	Adjustment for discounting			24					22 .	. 51 .	. 4
(accident year accounting)	Other technical income or o specified by way of supplen			25				i			
	Net operating expenses			26					22 .	41	4
	Balance (21-22-23+24+25-2	16)		29		92		340			
	Per Form 24			31					24 .	69. 9	9-99
Balance from underwriting yea accounting	Other technical income be specified by way of			to 32						-	
<b>-</b>	Total			39						·	
Balance of all y	ears' underwriting (19+29+39	)		49		(51)		383			
Allocated invest	ment return			51							
Transfer to non-	technical account (49+51)		- · · · · · · · · · · · · · · · · · · ·	59		(51)		383	<del></del>		

Name of insurer

**Chubb Custom Insurance Company** 

UK branch business

Financial year ended

31st December 2001

Accounting class

Third party liability

				Company registration number	GLIUKI	CM day	eriod end month	ed year	- Units	c	lass/	_
			R20	FC19045	UK	31	12	2001	£000		7	,
					<u> </u>	This fi		Previo	us year	s	ourc	e
Items to be si	iwor	n net of reinsurance					ar 1		2	Form	Line	Column
	Ear	ned premium			11		1097	<u> </u>	554	21	. 19	. 5
ļ	Clai	ms incurred			12		600		307	22	. 17	. 4
	Clai	ms management costs			13		50		27	22	. 18	. 4
This year's underwriting	Adju	stment for discounting			14					22	. 52	. 4
(accident year accounting)	Incr	ease in provision for une	expired ris	iks	15					22	. 19	. 4
-		er technical income or cl cified by way of supplem			16							
	Net	operating expenses			17		516		327	22	. 42	. 4
	Bala	ance of year's underwriti	ng (11-12	-13+14-15+16-	17) 19		(69)		(107)			
	Ear	ned premium			21		156		31	21	. 11	. 5
	Clai	ms incurred			22		132		1508	22	. 13	. 4
Adjustment for	Clai	ms management costs			23		(48)		126	22	. 14	. 4
prior years' underwriting	Adj	ustment for discounting			24					22	. 51	. 4
(accident year accounting)		er technical income or c cified by way of supplem			25							
	Net	operating expenses			26					22	. 41	. 4
	Bala	ance (21-22-23+24+25-2	:6)		29		72		(1603)			
		Per Form 24			31					24 .	69.	99-99
Balance from underwriting yea accounting	ar	Other technical income be specified by way of			32							
	İ	Total			39							
Balance of all y	ears'	underwriting (19+29+39	)		49		3		(1710)			
Allocated inves	tmen	t return			51							
Transfer to non-	-tech	nical account (49+51)			59	+	3		(1710)	-		

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/O	:M da	Period en	ded year	Units		Accour class/ summa	•
			R20	FC19045	UK	3	1 12	2001	£000		8	
				<u></u>			financial	Previo	us year	S	ourc	—- е
Items to be si	how	n net of reinsurance					year 1		2	Form	Line	Column
	Ear	ned premium			11		32		12	21	. 19	. 5
	Cla	ims incurred			12		9		2	22	. 17	. 4
	Cla	ims management costs			13		3		1	22	. 18	. 4
This year's underwriting	Adj	ustment for discounting			14					22	. 52	. 4
(accident year accounting)	inci	rease in provision for une	xpired ris	ks	15					22	. 19	. 4
		er technical income or checified by way of supplem			16							
	Net	operating expenses			17		65		60	22	. 42	. 4
	Bal	ance of year's underwritir	ng (11-12	-13+14-15+16-1	7) <b>19</b>	·	(45)		(51)			
	Ear	ned premium			21					21	. 11	. 5
	Cla	ims incurred			22		(6)		(5)	22	. 13	. 4
Adjustment for	Cla	ims management costs			23		2		2	22	. 14	. 4
prior years' underwriting	Adj	ustment for discounting			24					22	. 51	. 4
(accident year accounting)		er technical income or checified by way of supplem			25							
	Net	operating expenses			26					22	. 41	. 4
	Bal	ance (21-22-23+24+25-2	6)		29		4		3			
		Per Form 24		_	31					24 .	69. 9	9-99
Balance from underwriting yea accounting	ar	Other technical income be specified by way of s	and char suppleme	ges (particulars ntary note)	to 32							
Ü		Total			39							
Balance of all y	ears'	underwriting (19+29+39)			49		(41)		(48)			
Allocated invest	tmen	t return			51							
Transfer to non-	techi	nical account (49+51)			59		(41)		(48)	. <u></u>		

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

Scoon Filming	A local					Company registration		Perio	Period ended	,		Accounting
				į	-	number	GL/UK/CM	day month	nth year	Units	ts class	
					R21	FC19045	Yn C	<u>ب</u>	12 2001	0003	2	9
			Gross premiums written	ten	Reinst	Reinsurers' share		Z	Net of reinsurance	ance		
Premiums receiva	Premiums receivable during the financial year		Earned in previous financial years		Earne fina	Earned in previous financial years		10 mg	Earned In previous financial years 5	vious ars		
In respect of risks incepted in previous financial years	ncepted in previous	=										i jana
			Earned In this financial year	Unearned at end of this financial year	Ear	Earned in this financial year	Unearned at end of this financial year	d of sar	Earned in this financial year		Unearned at end of this financial year	end of al year
			T	~		m	•		40	<u> </u>	φ	
In respect of risks incepted in previous financial years	ncepted in previous	12	32			30				2		
	For periods of less than 12 months	5	281			245				36		7
In respect of risks incepted in this	For periods of 12 months	4	71	22	~					71		22
maricia year	For periods of more than 12 months	15	41	44	-		}			41		44
Premiums receivab previous financial yebrought forward to t	Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	155	162	01				;	155		162
Total (12 to 16)		6	580	235	10	275				305		235

Returns under the Accounts and Statements Rules

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

Chubb Custom Insurance Company Name of insurer

UK branch business

31st December 2001 Financial year ended

Third party liability

Accounting class

					Company registration	טוויוואנט		Period ended	<b>Q</b>	2	Accounting
				L	number		day	month	year	Sills	Class
					R21 FC19045	IS UK	3	12	2001	£000	7
			Gross premiums written	en	Reinsurers share			Net of r	Net of reinsurance		
Premiums receival	Premiums receivable during the financial year		Earned in previous financial years		Earned in previous financial years	625.01	signika M	Earnec	Earned in previous financial years	ing and a second	
In respect of risks incepted in previous financial years	rcepted in previous	11	156						156		
			Earned in this financial year	Unearned at end of this financial year	Earned in this financial year	Unearned at end of this financial year	end of al year	Earn	Earned in this financial year	Unearne this fins	Unearned at end of this financial year
			-	7	ĸ	4			ю		9
In respect of risks incepted in previous financial years	cepted in previous	12	796		284	4			512		
	For periods of less than 12 months	13	111	101	1104	4	6		(663)		92
In respect of risks incepted in this financial year	For periods of 12 months	14	753	1074					753		1074
	For periods of more than 12 months	15	7	34					7		34
Premiums receivable previous financial ye brought forward to t	Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	818	298					818		298
Total (12 to 16)		19	2485	1507	1388	8	6		1097		1498

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

					OFE	Company registration number	GL/UK/CM	Per day n	Period ended month ye	year	Units	Accounting class
					R21	FC19045	Ä	31	12	2001	£000	8
		Gross	Gross premiums written	ten	Reinsur	Reinsurers' share			Net of re	Net of reinsurance		
Premiums receiva	Premiums receivable during the financial year	Earned in p financial	in previous cial years 1		511-4557222	Earned in pravious financial years			Earned	Earned in previous financial years		
In respect of risks in financial years	In respect of risks incepted in previous financial years	11					May 1					**************************************
		Earn	Earned in this financial year	Unearned at end of this financial year	Earne	Earned in this financial year	Unearned at end of this financial year	d of ear	Earne	Earned in this financial year	Unearn this fin	Unearned at end of this financial year
			-	7			<b>~</b>			MG.		9
In respect of risks incepted in previous financial years		12	2			2						
	For periods of less than 12 months	13										
In respect of risks incepted in this financial year	For periods of 12 months	14	48	18		0%				28		18
	For periods of more than 12 months	15										
Premiums receivable (less rebates a previous financial years not earned i brought forward to the financial year	nd refunds) in n those years and	91	4	on .						4		<b>o</b>
Total (12 to 16)	7	19	54	27		55				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** 

				pany stration ber	GL/UK	/CM		eriod er month		- Un	its	Accounting
		R22	F	C19045	UI	K	day 31	12	year 2001	£0	00	6
				Amount bro forward fr previous fina year	ought om	paya	Amount ble/receithis finar year	vable	Amount ca forward to financial	rried next	attri	Amount butable to this nancial year
		_		1			2		3	;		4
	Gross amount		11		126			28		14		(84)
Claims incurred in respect of incidents	Reinsurers' share		12									
occurring prior to this financial year	Net (11-12)		13		126			28		14	ļ	(84)
land imanoidi yedi	Claims management costs		14		10			1		1		(8)
	Gross amount		15	244	2.45		1	05		191		296
Claims incurred in respect of incidents	Reinsurers' share		16	4.53				:				
occurring in this financial year	Net (15-16)		17				1	05		191		296
,	Claims management costs		18	F 1025				4		15		19
Provision for unexpir	red risks		19				20 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -					
	Commissions		21		32		1	10		29		113
	Other acquisition expenses		22									
Net operating	Administrative expenses		23				•	59				59
expenses	Reinsurance commissions a profit participations	ind	24					39				39
	Total (21+22+23-24)		29		32		1	30		29		133
Adjustments for	Gross amount		31							•		
discounting in respect of the	Reinsurers' share		32					7-20 5				
items shown at lines 11 to 18	Claims management costs		33				U.VA					
above	Total (31-32+33)		39			2.16						
	Prior financial years		41				Accessor in Street week				·	
Split of line 29	This financial year		42		32		1	30		29	-	133
Cally of the 100	Incidents occurring prior to the financial year	his	51									
Split of line 39	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

			pany stration ber	GL/UK	/CM day	Period er		Unit	Accounting S class
	R22	F	C19045	Ui	K 31	12	2001	£00	7
			Amount br forward f previous fin year	rom	Amou payable/red in this fir yea	eivable ancial	Amount car forward to financial y	next	Amount attributable to this financial year
			1		2		3		4
	Gross amount	11	:	2942		831	3	741	1630
Claims incurred in respect of incidents	Reinsurers' share	12		443		9	1	932	1498
occurring prior to this financial year	Net (11-12)	13		2499		822	1	809	132
triis imariciai year	Claims management costs	14		200		7		145	(48)
	Gross amount	15					1	066	1066
Claims incurred in respect of incidents	Reinsurers' share	16	ana na	7. Šet.				466	466
occurring in this financial year	Net (15-16)	17						600	600
mandar year	Claims management costs	18		<b>-2</b> 45, 70		2	· · · · · · · · · · · · · · · · · · ·	48	50
Provision for unexpi	red risks	19					· • · · · · · · · · · · · · · · · · · ·		<del>- 4</del>
	Commissions	21		114	747	591	***	184	521
	Other acquisition expenses	22							
Net operating	Administrative expenses	23	97.0 C			155		575	155
expenses	Reinsurance commissions and profit participations	24				160			160
	Total (21+22+23-24)	29		114		586		184	516
Adjustments for	Gross amount	31							
discounting in respect of the	Reinsurers' share	32			(0.25.15° 8.7)				
items shown at lines 11 to 18	Claims management costs	33		•		MA COLON			
above	Total (31-32+33)	39			organically	i terri			
0.00	Prior financial years	41					<u>-</u> -		
Split of line 29	This financial year	42		114		586		184	516
0-11-611-00	Incidents occurring prior to this financial year	51							
Split of line 39	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

			npany stration iber	GL/UK	(/CM		riod e		Ur	nits	Accounting class
	R2	2 F	C19045	U	K	31	12		£0	00	8
		<u> </u>	Amount br forward f previous fin year	rom		Amount ble/recei his finan year	vable	Amount car forward to financial y	next	1	Amount putable to this ancial year
			1			2		3			4
	Gross amount	11		12							(12)
Claims incurred in respect of incidents	Reinsurers' share	12		6							(6)
occurring prior to this financial year	Net (11-12)	13		6			_				(6)
tills illiancial year	Claims management costs	14		<u></u>			2				2
	Gross amount	15							17		17
Claims incurred in respect of incidents	Reinsurers' share	16	i di di	2.16±0					8		8
occurring in this financial year	Net (15-16)	17	100			······························			9		9
manda you	Claims management costs	18					2		1		3
Provision for unexpir	ed risks	19		ST. No.							
	Commissions	21		1		A LONG CAMBOON	16	***************************************	3		14
	Other acquisition expenses	22				•-		-			
Net operating	Administrative expenses	23	eren i de la companya de la companya de la companya de la companya de la companya de la companya de la company Reference de la companya de la companya de la companya de la companya de la companya de la companya de la comp	riversity of the			54	nasioni Parakan			54
expenses	Reinsurance commissions and profit participations	24		,			3				3
	Total (21+22+23-24)	29		1			67		3		65
Adjustments for	Gross amount	31									
discounting in respect of the	Reinsurers' share	32				in de com					
items shown at lines 11 to 18	Claims management costs	33		" -	2.5	i ng					
above	Total (31-32+33)	39			.e. y	s (sass)					
0 177 177 00	Prior financial years	41									
Split of line 29	This financial year	42		1			67		3		65
Onlik afilian 20	Incidents occurring prior to this financial year	51					7				
Split of line 39	Incidents occurring in this financial year	52	g roman y n		14 15. 127 - 77 -	der fores			:		

Returns under the Accounts and Statements Rules

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

SL/UK/CM   Asy month year	rinancial	rınancıal year ended		31st December 2001	nber 2001						Company					
The continue paid   Columns   Colu	Accounting	g class	<b>u.</b>	Property							registration number	GL/UK/CI	day	od ended onth year	— Units	Accounting class
Claims paid   Cultimary   Column   Co										R23	FC19045	···	31		0003	9
The parameter   The paramete	Accident y	ear ended		Claims paid (net) during			l .	Claims outsta	inding carried	Claims outsta	nding brought	Balance on each accident	Deduction fo discounting	ļ	85	Clalms ratio
Barr         1         2         3         4         6         6         7         8         9         10         11         12           201         11         2         3         4         6         6         7         8         9         10         11         12           201         11         2         3         4         6         6         7         8         9         10         11         12           200         12         3         10         5         116         (80)         296         305         16         104         10				the accident year				Reported (net)	1	Reported (net)	t .	year (4+5+6-7-8)	from clarms outstanding		original reserve	
201         11         2         3         4         5         6         7         8         9         10         11         12           201         11         12         105         51         140         67         16         305         305         305         305         305         305         305         1048         105         1048         1048         105         1048         1048         105         1048 <td< th=""><th>Month</th><th>Year</th><th></th><th></th><th>accinem year</th><th>accident year, but prior to this financial year</th><th></th><th></th><th>(net)</th><th></th><th>(net)</th><th></th><th>forward (net)</th><th></th><th>\$</th><th></th></td<>	Month	Year			accinem year	accident year, but prior to this financial year			(net)		(net)		forward (net)		\$	
200         11         201         105         51         140         296         296         305         305         46           200         12         14         121         28         13         66         116         (60)         292         (66)           399         13         663         331         677         1         5         146         603         292         1048           399         14         1081         356         253         1         6         4)         582         1048           399         16         362         253         1         1         1         7				*	8	m	4	ĸ	ω.		•	on.	5	=	12	£
12         14         121         28         13         65         14         121         28         13         67         1         5         116         (80)         292         292         293         14         1081         356         253         1         5         14         1081         356         253         1         5         1         5         1         5         1         5         253         2         1         2         4         3         2         4         3         2         4         3         3         4         3         3         4         4         4         1         3         4 <td>12</td> <td>2001</td> <td>=</td> <td></td> <td></td> <td></td> <td>105</td> <td>51</td> <td>140</td> <td></td> <td></td> <td>296</td> <td></td> <td>305</td> <td></td> <td>97.0</td>	12	2001	=				105	51	140			296		305		97.0
999         13         663         351         677         1         5         44         683         631         677         1         5         753         754         754         754         754	12	2000	12	4	121		28	13		လ	116	(80)		292	(66.1)	18.8
998       14       1081       356       253       686       753         997       15       816       357       25       688       688       688       688       688       688       688       688       688       688       688       740       710       7116       71116       7116       71116       71116	12	1999	13	663	331	229		•		ស		(4)		582	104.8	230.4
997         15         816         357         25         996         16         233         150         25         997         7         998         16         233         150         25         991         7         991         7         991         7         991         7         991         7         991         7         991         7         991         7         991         7         991         7         991         7         991         7         991         7         991         7         991         991         7         991	12	1998	14	1081	356	253								753	(28.9)	177.2
996       16       323       150       91         17       18       65       140       10       116       212         19       19       133       65       140       10       116       212	12	1997	<del>1</del>	816	357	25								558	(93.0)	150.7
17       18       19       20       ears     21       22       23       24       25       26       133     65       140     10       116     212	12	1996	16	323	150									91	(100.0)	354.9
19       20       ears     21       22       23       24       25       26       27       28       29       24       25       26       27       28       29       24       25       26       27       28       29       212			17													
19       19       19       10       10       10       116       212       116       212       116       212       116       212       116 <td></td> <td></td> <td>18</td> <td></td>			18													
20       ears     21       22       133     65       140     10       116     212			19													
22			20													
22       29       133     65     140     10     116     212	Prior accid	lent years	21													
<b>29</b> 140 10 116	Reconcilia	tion	22													
	Total (11 t	(0 22)	58				133	65	140	10	116	212				

Returns under the Accounts and Statements Rules

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

Chubb Custom Insurance Company Name of insurer

UK branch business

31st December 2001

Financial year ended

Accounting class	288	,	Third narty liability	lishility						Company registration			Period ended			Accounting
		-	family many							number	GL/UK/CM	day	month year	Units	ı	
									R23	FC19045	ž	3	12 2001	01 £000	•	7
Accident year ended	ear ended		Ctalms paid (net) during	Claims outstanding	Total claims paid (net)	Claims paid (net) during	Claims outsta	Claims outstanding carried forward	Claims outsta forw	Claims outstanding brought forward	Balance on each accident			a =	┺—	Claims ratio
Month	Year		year	of the accident year		year	Reported (net)	Incurred but not reported (net)	Reported (net)	incurred but not reported (net)	year (4+5+8-7-8)	from claims outstanding carried forward (net)	(jec)	original reserve %	m 9º	14.0
			~	8	ო	4	lo.	ø		80	<b></b>	10		12		5
12	2001	11						900		2000 1000 1000 1000 1000 1000 1000 1000	009		1097	97   78	e (2)	54.7
12	2000	12		307		150	517	232		307	592		7	710 192.8		126.6
12	1999	13		192	ю	564	73	115	1269	37	(554)		Ω.	582 295.8		130.6
12	1998	14	169	152	106	108	486	327	729	89	124		<u>.</u>	392 575.7	_	305.1
12	1997	15	14	184	14			52		81	(29)		4	418 (64.1)	_	19.1
12	1996	16	4	34		. —		7		80	€)		, -	76 (79.4)	G.	14.5
		17														
		18														Ì
		19														
		20														

732

501

1998

1333

1076

822

22 29

Reconciliation

Total (11 to 22)

7

Prior accident years

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

Name of insurer C

Chubb Custom Insurance Company

UK branch business

d 31st December 2001

Financial year ended

Financial year ended	ar ended	ເນ	1st Decen	31st December 2001						Company		1				
Accounting class	class	2	liscellane	Miscellaneous and pecuniary loss	ecuniary lo	88				registration number	GL/UK/CM	day	renogenaed month ye	year	Units	class
									R23	FC19045	¥n	34	12 24	2001	0003	8
Accident year ended	ar ended		Claims paid (net) during	Claims	Total claims paid (net)	Claims paid (net) during	Claims outstanding carried forward	nding carried	Claims outstanding brought forward	nding brought ard	e in	Deduction for discounting			/i to	Clalms ratio %
Month	Year		the accident	(net) as at end of the accident year	since the end of the accident year, but prior to this financial		Reported (net) Incurred but not reported (net)		Reported (net) Incurred but not reported (net)	incurred but not reported (net)	year (4+5+6-7-8)	outstanding carried forward (net)	2 B	⊋	reserve %	
			₩.	N	es.	4	40	9	,	60	æ	5	<u></u>		7	13
12	2001	Ξ		result.	2			6	en en en en en en en en en en en en en e		6			32		28.1
12	2000	12		2						2	(2)			12 (	(100.0)	
12	1999	13												မွ		
12	1998	14								3	(3)					
12	1997	15												(3)		
12	1996	16		2						-	£			4	(100.0)	
		17														
		18						-					_			
		19														
		20						<del></del>								
Prior accident years	nt years	21														
Reconciliation	uc	22														
Total (11 to 22)	22)	29						6		9	3					

Returns under the Accounts and Statements Rules

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

Pounds Sterling

Currency

**UK** branch business

Financial year ended

31st December 2001

Risk group

Accounting class Country Monetary units day month year Period anded **GL/UK/CM** Company registration number United States Of America

		-				R31	FC19045	UK 3	31 12	2001	000	AB	တ
Accident year ended	D.	Number	Number of claims	Gross claim	ims paid	Gross claims o	Gross claims outstanding carried forward	Gross claims outstanding brought forward	s outstanding to		Balance for each accident	Gross earned premiums	Claims ratio
Month Year		Closed at some cost during this or previous financial years	Reported claims outstanding	In previous financial years	n this financial year	Reported	Incurred but not reported	Reported	Incurred but not reported		(4+5+6-7-8)		
		-	2	6	7	2	9	7	8		6	10	11
12 2001	01 11	1 6	5		105	51	140				296	580	51.0
12 2000	00 12	3	င	41	28	13		Ω		116	(80)	495	11.1
12 1999	99 13	3 92	-	672		-		5			(4)	1300	51.8
12 1998	98 14	4 87		837								1019	82.1
12 1997	97 15	84		1075								1037	103.7
12 1996	96 16	6		323								115	280.9
	17	_											
	18	8											
	19									-			
	20	6											
Prior accident years	21												
Total (11 to 21)	29	6	6		133	65	140	10		116	212		
Line 29 expressed in sterling	30				133	65	140	10		116	212		

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

**UK branch business** 

Currency

Pounds Sterling

Accounting class Third party liability

Financial year ended

31st December 2001

rinancial year enged		31st December 2001	L 2007			U	Company						
Risk group	Ĵ	United States Of America	Of America				registration number	GL/UK/CM day	Period ended day month y	year	Monetary units	Country	Accounting class
						R31	FC19045	UK 31	1 12	2001	000	AB	7
Accident year ended		Number	Number of claims	Gross cla	Gross claims paid	Gross claims or fon	Gross claims outstanding carried forward	Gross claims outstanding brought forward	outstanding brou forward		Balance for each accident	Gross earned premlums	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	Incurred but not reported	Reported	Incurred but not reported		(4+5+6-7-8)		
		-	~	6	4	ıρ	ş	7	8		6	10	11
12 . 20	2001 11	-					1066	The second second			1066	2485	42.9
12 20	2000 12	2 6	10		198	2044	336		5	501	2077	1364	189.0
12 19	1999 13	3 5	Ø	89	525	73	318	1270	<b>~</b>	164	(518)	1042	88.7
12 19	1998 14	4	80	199	108	486	411	729	1	140	136	834	144.4
12 19	1997 15	2		16			64		1;	124	(09)	708	11.3
12 19	1996 <b>16</b>	-					6		•	14	(5)	132	6.8
	17												
	18	•											
	19	6											
	20												
Prior accident years	21										1 ( )		

2696 2696

1999 1999

2204 2204

2603 2603

831 831

24

29

Total (11 to 21)

30

Line 29 expressed in sterling

943 943

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

Name of insurer		Chu	bb Custom	Chubb Custom Insurance Company	Sompany				Accol	Accounting class		Miscellaneous and pecuniary loss	and pecun	ary loss
UK branch business	ess								Currency	псу	Q.	Pounds Sterling	5	
Financial year ended	pep	31st	31st December 2001	2001			J	Sompany						
Risk group		Unit	United States Of America	of America				registration number	GL/UK/CM	Period en day month	Period ended	Monetary	Country	Accounting class
							R31	FC19045	UK	31		000	AB	80
Accident year ended	papue		Number	Number of claims	Gross claims paid	ims paid	Gross claims o	Gross claims outstanding carried forward	Gross claims outstanding brought forward	s outstand forward	ling brought	Batance for each accident	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	Incurred but not reported	Reported	Hoc.	Incurred but not reported	year (4+5+8-7-8)		
			-	2	3	4	so.	w	7		8	6	10	11
. 12	2001	17						17			4.00 Markets	17	54	31.5
12	2000	42									4	(4)	15	
12	1999	13				:							9	
12	1998	4									7	(7)	41	
12	1997	15	-										(3)	
12	1996	16									-	(5)	4	
		17												
		18								_				
		13								_				
		20												
Prior accident years	ars	7												
Total (11 to 21)		73						17			12	5		
Line 29 expressed in sterling	d in	30						17			12	5	ing Series (been Series (series	

Returns Under the Accounts and Statements Rules General Business

General Dustiness
Chubb Custom Insurance Company

UK Branch Business Financial year ended

incial year ended 31 December 2001

Statement required under rule 9.32 of the Accounts and Statements Rules

	Premiums Payable (£'000)	263	<b>6</b> 0	4	227	408	762	22
Maximum Net Probable Loss - All (US\$'000)		3,000			15,000			3,000
Maximum Net Probable Loss - One (US\$'000)		1,000			5,000			1,000
	Limits (US\$m)	9m xs 1m	20m xs 10m 35m xs 30m 85m xs 65m	25m xs 25m 50m xs 50m 100m xs 75m	25m xs 25m	15m xs 10m	9m xs 1m	9m xs 1m
	Period of Cover	01/01/01 - 31/12/01	01/04/01 - 31/03/02	01/04/01 - 31/03/02	01/01/01 - 31/12/01	01/01/01 - 31/12/01	01/01/01 - 31/12/01	01/01/01 - 31/12/01
	Type of Cover	Excess of Loss	Excess of Loss	Excess of Loss	Excess of Loss	Excess of Loss	Excess of Loss	Excess of Loss
	Cover Name	Excess of Loss	Property Per Risk	Property Catastrophe	First Through Third Blanket Casualty	Casualty Excess	Special Casualty	Excess of Loss
in national institution	Accounting Classes	Property			Third Party Liability			Miscellaneous and Pecuniary Loss

# SUMMARY

EINSURANCE	TOTAL	275	1,397	22	1,694
NON FACULATIVE REINSURANCE	CEDED	275	1,397	22	1,694
FACULATIVE REINSURANCE	CEDED	0	0	0	0
ACCOUNTING CLASS	) 	9	7	æ	

NOTE

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

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

Name of Company Chubb Custom Insurance Company

**UK Branch Business** 

Financial year ended 31st December 2001

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

### 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.

## 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.

#### 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.

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.

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.

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).

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.

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

AUTE & A

David Stevens

Accounting Manager

Date: 29 April 2002

## 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 Registered Auditor

Emst + Young LLP

London

29 April 2002