

# **Indemnity Insurance Limited**

**Annual FSA Insurance Returns for the year ended**

**31 December 2009**

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

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**Statement of solvency - general insurance business**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	R1	2445040	GL	31	12	2009	£000
				As at end of this financial year		As at end of the previous year	
				1		2	

**Capital resources**

Capital resources arising outside the long-term insurance fund	11	10755	9022
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover general insurance business capital resources requirement (11-12)	13	10755	9022

**Guarantee fund**

Guarantee fund requirement	21	3128	2518
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	7627	6504

**Minimum capital requirement (MCR)**

General insurance capital requirement	31	189	1273
Base capital resources requirement	33	3128	2518
Individual minimum capital requirement	34	3128	2518
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	3128	2518
Excess (deficiency) of available capital resources to cover 50% of MCR	37	9191	7763
Excess (deficiency) of available capital resources to cover 75% of MCR	38	8409	7133

**Capital resources requirement (CRR)**

Capital resources requirement	41	3128	2518
Excess (deficiency) of available capital resources to cover general insurance business CRR (13-41)	42	7627	6504

**Contingent liabilities**

Quantifiable contingent liabilities in respect of other than long-term insurance business as shown in a supplementary note to Form 15	51		
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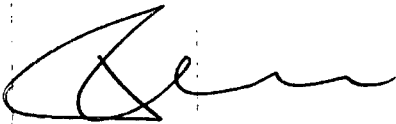
**Covering Sheet to Form 1**

**Form 1**

Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**



**Director**



**Director**



**Director**

**18** March 2010

**Components of capital resources**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

R3	Company registration number 2445040	GL/UK/CM GL	day month year			Units £000
			31	12	2009	
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

**Core tier one capital**

Permanent share capital	11	14900		14900	14900
Profit and loss account and other reserves	12	(4145)		(4145)	(5248)
Share premium account	13				
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19	10755		10755	9652

**Tier one waivers**

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit Items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				

**Other tier one capital**

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

<b>Total tier one capital before deductions (19+24+25+26+27+28)</b>	<b>31</b>	<b>10755</b>		<b>10755</b>	<b>9652</b>
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
<b>Total tier one capital after deductions (31-37)</b>	<b>39</b>	<b>10755</b>		<b>10755</b>	<b>9652</b>

## Components of capital resources

Name of insurer Indemnity Insurance Limited

Global business

Financial year ended 31 December 2009

	Company registration number	GL/ UK/ CM	day month year			Units	
	R3	2445040	GL	31	12	2009	£000
			General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
			1	2	3	4	

## Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41					
Perpetual non-cumulative preference shares excluded from line 25	42					
Innovative tier one capital excluded from line 27	43					
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44					
Perpetual cumulative preference shares	45					
Perpetual subordinated debt and securities	46					
Upper tier two capital in related undertakings	47					
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>					

Fixed term preference shares	51					
Other tier two instruments	52					
Lower tier two capital in related undertakings	53					
<b>Lower tier two capital (51+52+53)</b>	<b>59</b>					

<b>Total tier two capital before restrictions (49+59)</b>	<b>61</b>					
Excess tier two capital	62					
Further excess lower tier two capital	63					
<b>Total tier two capital after restrictions, before deductions (61-62-63)</b>	<b>69</b>					

**Components of capital resources**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

R3	Company registration number 2445040	GL/ UK/ CM	day month year			Units £000
			31	12	2009	
		GL				
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	71				
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>	10755		10755	9652
Inadmissible assets other than intangibles and own shares	73				119
Assets in excess of market risk and counterparty limits	74				511
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>	10755		10755	9022

**Available capital resources for GENPRU/INSRU tests**

Available capital resources for guarantee fund requirement	81	10755		10755	9022
Available capital resources for 50% MCR requirement	82	10755		10755	9022
Available capital resources for 75% MCR requirement	83	10755		10755	9022

**Financial engineering adjustments**

Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
<b>Sum of financial engineering adjustments (91+92-93+94+95)</b>	<b>96</b>				

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

Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

General insurance business

		Company registration number	GL/UK/CM	day	month	year	Units	
		R11	2445040	GL	31	12	2009	£000
							This financial year 1	Previous year 2
Gross premiums written			11			179	(104)	
Premiums taxes and levies (included in line 11)			12					
Premiums written net of taxes and levies (11-12)			13			179	(104)	
Premiums for classes 11, 12 or 13 (included in line 13)			14					
Premiums for "actuarial health insurance" (included in line 13)			15					
<b>Sub-total A (13 + 1/2 14 - 2/3 15)</b>			16			179	(104)	
Gross premiums earned			21			183	1108	
Premium taxes and levies (included in line 21)			22					
Premiums earned net of taxes and levies (21-22)			23			183	1108	
Premiums for classes 11, 12 or 13 (included in line 23)			24					
Premiums for "actuarial health insurance" (included in line 23)			25					
<b>Sub-total H (23 + 1/2 24 - 2/3 25)</b>			26			183	1108	
<b>Sub-total I (higher of sub-total A and sub-total H)</b>			30			183	1108	
<b>Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure</b>			31					
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18		32			33	199	
	Excess (if any) over 57.5M EURO x 0.02		33					
<b>Sub-total J (32-33)</b>			34			33	199	
Claims paid in period of 3 financial years			41			8992	24322	
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis		42					
	For insurance business accounted for on an accident year basis		43			92	745	
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis		44					
	For insurance business accounted for on an accident year basis		45			6044	6625	
<b>Sub-total C (41+42+43-44-45)</b>			46			3040	18442	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47			862	3756	
<b>Sub-total D (46-47)</b>			48			2177	14687	
<b>Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)</b>			49			0.72	0.80	
<b>Premiums amount (Sub-total J x reinsurance ratio)</b>			50			24	159	
Provision for claims outstanding (before discounting and net of reinsurance)			51			92	745	
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero			52					
<b>Brought forward amount (See instruction 4)</b>			53			158	966	
Greater of lines 50 and 53			54			158	966	



### Calculation of general insurance capital requirement - claims amount and result

Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

General insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	2445040	GL	31	12	2009	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R				11	36			36
Claims paid in reference period				21	8992			24322
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	92			745
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	6044			6625
Claims incurred in reference period (21+22+23-24-25)				26	3040			18442
Claims incurred for classes 11, 12 or 13 (included in 26)				27				
Claims incurred for "actuarial health insurance" (included in 26)				28				
<b>Sub-total E (26 +1/2 27 - 2/3 28)</b>				29	3040			18442
<b>Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)</b>				31	1013			6147
Division of sub-total F (gross adjusted claims amount)	x 0.26			32	263			1598
	Excess (if any) over 40.3M EURO x 0.03			33				
<b>Sub-total G (32-33)</b>				39	263			1598
<b>Claims amount Sub-total G x reinsurance ratio (11.49)</b>				41	189			1273
Higher of premiums amount and brought forward amount (11.54)				42	158			966
<b>General insurance capital requirement (higher of lines 41 and 42)</b>				43	189			1273

**Analysis of admissible assets**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	2445040	GL	31	12	2009	£000	1
					<b>As at end of this financial year</b>	<b>As at end of the previous year</b>	
					<b>1</b>	<b>2</b>	
Land and buildings			<b>11</b>				

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	<b>21</b>		
	Debts and loans	<b>22</b>		
Other insurance dependants	Shares	<b>23</b>		
	Debts and loans	<b>24</b>		
Non-insurance dependant	Shares	<b>25</b>		
	Debts and loans	<b>26</b>		
Other group undertakings	Shares	<b>27</b>		
	Debts and loans	<b>28</b>		
Participating interests	Shares	<b>29</b>		
	Debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>		
Other shares and other variable yield participations		<b>42</b>		
Holdings in collective investment schemes		<b>43</b>		
Rights under derivative contracts		<b>44</b>		
Fixed interest securities	Approved	<b>45</b>	5345	3246
	Other	<b>46</b>	1039	1088
Variable interest securities	Approved	<b>47</b>		
	Other	<b>48</b>	3483	5451
Participation in investment pools		<b>49</b>		
Loans secured by mortgages		<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>		
Other loans		<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	1367	765
	More than one month withdrawal	<b>55</b>		
Other financial investments		<b>56</b>		
Deposits with ceding undertakings		<b>57</b>		
Assets held to match linked liabilities	Index linked	<b>58</b>		
	Property linked	<b>59</b>		

**Analysis of admissible assets**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year **31 December 2009**Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	day month year			Units	Category of assets
<b>R13</b>	<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>1</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance	Policyholders	<b>71</b>	
	Intermediaries	<b>72</b>	4 2273
Salvage and subrogation recoveries		<b>73</b>	
Reinsurance	Accepted	<b>74</b>	
	Ceded	<b>75</b>	
Dependants	due in 12 months or less	<b>76</b>	
	due in more than 12 months	<b>77</b>	
Other	due in 12 months or less	<b>78</b>	
	due in more than 12 months	<b>79</b>	

**Other assets**

Tangible assets	<b>80</b>	
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	84 19
Cash in hand	<b>82</b>	
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>	22
Accrued interest and rent	<b>84</b>	
Deferred acquisition costs (general business only)	<b>85</b>	
Other prepayments and accrued income	<b>86</b>	30

Deductions from the aggregate value of assets	<b>87</b>	
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	11352	12864
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**Analysis of admissible assets**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	2445040	GL	31	12	2009	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	11352	12864
Admissible assets in excess of market and counterparty limits	92	0	511
Inadmissible assets directly held	93		119
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	11352	13494
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

**Liabilities (other than long term insurance business)**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

	Company registration number	GL/UK/CM	day	month	year	Units	
	R15	2445040	GL	31	12	2009	£000
						As at end of this financial year 1	As at end of the previous year 2

**Technical provisions (gross amount)**

Provisions for unearned premiums	11		2
Claims outstanding	12	92	745
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19	92	748

**Provisions and creditors**

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	31			
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		11
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions	46			
Creditors	Taxation	47	405	36
	Foreseeable dividend	48		
	Other	49	29	
Accruals and deferred income	51	71	3047	
Total (19 to 51)	59	597	3842	
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63			
Total (59 to 63)	69	597	3842	

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71			
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Amounts deducted from technical provisions for discounting	82			
Other adjustments (may be negative)	83			
Capital and reserves	84	10755	9652	
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	11352	13494	

**Profit and loss account (non-technical account)**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	2445040	GL	31	12	2009	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account	From Form 20	11	450	(435)				
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13						
Investment income	Income	14	289	525				
	Value re-adjustments on investments	15	58	82				
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17						
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19						
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21	736					
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	1533	172				
Tax on profit or loss on ordinary activities		31	429	133				
Profit or loss on ordinary activities after tax (29-31)		39	1104	39				
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	1104	39				
Dividends (paid or foreseeable)		51						
Profit or loss retained for the financial year (49-51)		59	1104	39				

## General insurance business : Summary of business carried on

Name of insurer Indemnity Insurance Limited

Global business

Financial year ended 31 December 2009

Category number	FSA return general insurance business reporting category	Company registration number	GL/UK/CM	day month year			units
				R20A	2445040	GL	
				Provision for undiscounted gross claims outstanding at the end of this financial year			
		Gross Premium written in this financial year		Reported	Incurred but not reported		Provision for gross unearned premium at the end of this financial year
		1		2	3		4
1	Total business	1	179	42	50		
2	Total primary (direct) and facultative business	2	179	42	50		
3	Total treaty reinsurance accepted business	3					
110	Total primary (direct) and facultative accident and health (category numbers 111 to 114)	4	178	41	11		
120	Total primary (direct) and facultative personal lines motor business (category numbers 121 to 123)	5					
160	Primary (direct) and facultative household and domestic all risks	6					
180	Total primary (direct) and facultative personal lines financial loss (category numbers 181 to 187)	7	1	1	39		
220	Total primary (direct) and facultative commercial motor business (category numbers 221 to 223)	8					
260	Total primary (direct) and facultative commercial lines property (category numbers 261 to 263)	9					
270	Total primary (direct) and facultative commercial lines liability business (category numbers 271 to 274)	10					
280	Total primary (direct) and facultative commercial lines financial loss (category numbers 281 to 284)	11					
330	Total primary (direct) and facultative aviation (category numbers 331 to 333)	12					
340	Total primary (direct) and facultative marine (category numbers 341 to 347)	13					
350	Total primary (direct) and facultative goods in transit	14					
400	Miscellaneous primary (direct) and facultative business	15					
500	Total non-proportional treaty reinsurance business accepted (category numbers 510 to 590)	16					
600	Total proportional treaty reinsurance business accepted (category numbers 610 to 690)	17					
700	Miscellaneous treaty reinsurance accepted business	18					
	Total (lines 4 to 18)	20	179	42	50		

## General insurance business : Summary of business carried on

Name of insurer Indemnity Insurance Limited

Global business

Financial year ended 31 December 2009

R20A	Company registration number	GL/UK/CM	day month year			units
			31	12	2009	
	2445040	GL				£000
Category number	FSA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year	
			Reported	Incurred but not reported		
		1	2	3	4	

## Primary (direct) and facultative personal lines business

111	Medical insurance	21			
112	HealthCare cash plans	22			
113	Travel	23	178	41	11
114	Personal accident or sickness	24			
121	Private motor - comprehensive	25			
122	Private motor - non-comprehensive	26			
123	Motor cycle	27			
160	Household and domestic all risks (equals line 6)	28			
181	Assistance	29			
182	Creditor	30			
183	Extended warranty	31			
184	Legal expenses	32			
185	Mortgage indemnity	33			
186	Pet insurance	34	1	1	39
187	Other personal financial loss	35			

## Primary (direct) and facultative commercial lines business

221	Fleets	41			
222	Commercial vehicles (non-fleet)	42			
223	Motor other	43			
261	Commercial property	44			
262	Consequential loss	45			
263	Contractors or engineering all risks	46			
271	Employers liability	47			
272	Professional indemnity	48			
273	Public and products liability	49			
274	Mixed commercial package	50			
281	Fidelity and contract guarantee	51			
282	Credit	52			
283	Suretyship	53			
284	Commercial contingency	54			

## Primary (direct) and facultative aviation

331	Aviation liability	61			
332	Aviation hull	62			
333	Space and satellite	63			



## General insurance business : Summary of business carried on

Name of insurer Indemnity Insurance Limited

Global business

Financial year ended 31 December 2009

		Company registration number	GL/UK/CM	day month year			units	
		R20A	2445040	GL	31	12	2009	£000
Category number	FSA return general insurance business reporting category	Gross Premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year		Provision for gross unearned premium at the end of this financial year			
			Reported	Incurred but not reported				
		1	2	3	4			
<b>Primary (direct) and facultative marine and transport</b>								
341	Marine liability	64						
342	Marine hull	65						
343	Energy (on and off-shore)	66						
344	Protection and indemnity	67						
345	Freight demurrage and defence	68						
346	War risks	69						
347	Yacht	70						
350	Total primary (direct) and facultative goods in transit (equals line 14)	71						
<b>Primary (direct) and facultative miscellaneous</b>								
400	Miscellaneous primary (direct) and facultative business (equals line 15)	72						
<b>Non-proportional treaty</b>								
510	Non-proportional accident and health	81						
520	Non-proportional motor	82						
530	Non-proportional aviation	83						
540	Non-proportional marine	84						
550	Non-proportional transport	85						
560	Non-proportional property	86						
570	Non-proportional liability (non-motor)	87						
580	Non-proportional financial lines	88						
590	Non-proportional aggregate cover	89						
<b>Proportional treaty</b>								
610	Proportional accident and health	91						
620	Proportional motor	92						
630	Proportional aviation	93						
640	Proportional marine	94						
650	Proportional transport	95						
660	Proportional property	96						
670	Proportional liability (non-motor)	97						
680	Proportional financial lines	98						
690	Proportional aggregate cover	99						
<b>Treaty Reinsurance Miscellaneous</b>								
700	Miscellaneous treaty reinsurance accepted business (equals line 18)	101						
<b>Total (lines 21 to 101)</b>		<b>111</b>	<b>179</b>	<b>42</b>	<b>50</b>			

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009****Total business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>001</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year)	Earned premium (21.19.5)	11	183	1108					
	Claims incurred (22.17.4)	12	47	439					
	Claims management costs (22.18.4)	13	1	19					
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15		(433)					
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17	(24)	1443					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	159	(360)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(298)	14					
	Claims management costs (22.14.4)	23	7	62					
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
	Balance (21-22-23+24+25-26)	29	291	(76)					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	450	(435)					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	450	(435)					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative business**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>002</b>
Items to be shown net of reinsurance				This financial year			Previous year		
				1			2		
This year's underwriting (accident year)	Earned premium (21.19.5)	11	183	1108					
	Claims incurred (22.17.4)	12	47	439					
	Claims management costs (22.18.4)	13	1	19					
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15		(433)					
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17	(24)	1443					
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	159	(360)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(298)	14					
	Claims management costs (22.14.4)	23	7	62					
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
	Balance (21-22-23+24+25-26)	29	291	(76)					
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	450	(435)					
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	450	(435)					

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative accident and health**

		Company registration number	GL/UK/CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>110</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year)	Earned premium (21.19.5)	11	178				717		
	Claims incurred (22.17.4)	12	47				114		
	Claims management costs (22.18.4)	13	1				5		
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15					(312)		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17	(24)				1380		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	154				(470)		
Adjustment for prior years' underwriting (accident year)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(245)				(218)		
	Claims management costs (22.14.4)	23	6				33		
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
	Balance (21-22-23+24+25-26)	29	239				186		
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	393				(284)		
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	393				(284)		

**General insurance business : Technical account (excluding equalisation provisions)**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative personal lines financial loss business**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category number	
		<b>R20</b>	<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>180</b>
Items to be shown net of reinsurance			This financial year				Previous year		
			1				2		
This year's underwriting (accident year)	Earned premium (21.19.5)	11	5				390		
	Claims incurred (22.17.4)	12					325		
	Claims management costs (22.18.4)	13					14		
	Adjustment for discounting (22.52.4)	14							
	Increase in provision for unexpired risks (22.19.4)	15					(121)		
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses (22.42.4)	17					62		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	5				110		
Adjustment for prior years' underwriting (accident year)	Earned premium (21.11.5)	21							
	Claims incurred (22.13.4)	22	(52)				233		
	Claims management costs (22.14.4)	23	1				29		
	Adjustment for discounting (22.51.4)	24							
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses (22.41.4)	26							
	Balance (21-22-23+24+25-26)	29	51				(261)		
Balance from underwriting year accounting	Per Form 24 (24.69.99-99)	31							
	Other technical income or charges (particulars to be specified by way of supplementary note)	32							
	Total	39							
Balance of all years' underwriting (19+29+39)		49	56				(151)		
Allocated investment income		51							
Transfer to non-technical account (49+51)		59	56				(151)		

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

Name of insurer

Indemnity Insurance Limited

Global business

Financial year ended

31 December 2009

**Total business**

	R21	Company registration number	GL/UK/CM	day month year			Units	Category number
				31	12	2009		
		2445040	GL	Reinsurers' share			£000	001
		Gross premiums written	Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Earned in previous financial years	Net of reinsurance	
		1	3	3	5	5		
<b>Premiums receivable during the financial year</b>								
In respect of risks incepted in previous financial years	<b>11</b>							
		Earned in this financial year	Earned in this financial year	of this financial year	Earned in this financial year	Earned in this financial year	of this financial year	
		1	3	4	5	5	6	
In respect of risks incepted in previous financial years	<b>12</b>							
In respect of risks incepted in this financial year								
For periods of less than 12 months	<b>13</b>	(16)					(16)	
For periods of 12 months	<b>14</b>	196					196	
For periods of more than 12 months	<b>15</b>							
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	<b>16</b>	3					3	
Total (12 to 16)	<b>19</b>	183					183	

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

Name of insurer

**Indemnity Insurance Limited**

Global business

Financial year ended

**31 December 2009**

**Total primary (direct) and facultative business**

	R21	Company registration number	GL/UK/CM	day month year			Units	Category number
				31	12	2009		
		2445040	GL				£000	002
		Gross premiums written	Reinsurers' share				Net of reinsurance	
		Earned in previous financial years	Earned in previous financial years				Earned in previous financial years	
		1	3				5	
		Earned in this financial year	Earned in this financial year				Earned in this financial year	
		1	3				5	6
<b>Premiums receivable during the financial year</b>								
In respect of risks incepted in previous financial years	<b>11</b>							
In respect of risks incepted in previous financial years	<b>12</b>							
In respect of risks incepted in this financial year								
For periods of less than 12 months		(16)					(16)	
For periods of 12 months		196					196	
For periods of more than 12 months								
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	<b>16</b>						3	
Total (12 to 16)	<b>19</b>						183	

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

Name of insurer

**Indemnity Insurance Limited**

Global business

Financial year ended

**31 December 2009**

**Total primary (direct) and facultative accident and health**

	R21	Company registration number	GL/UK/CM	day month year			Units	Category number
				31	12	2009		
<b>Premiums receivable during the financial year</b>		<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>110</b>
		Gross premiums written	Earned in previous financial years	Reinsurers' share			Earned in previous financial years	Net of reinsurance
	<b>1</b>		<b>3</b>				<b>5</b>	
In respect of risks incepted in previous financial years	<b>11</b>							
		Earned in this financial year	Earned in this financial year	of this financial year			Earned in this financial year	of this financial year
	<b>1</b>		<b>3</b>	<b>4</b>			<b>5</b>	<b>6</b>
In respect of risks incepted in previous financial years	<b>12</b>							
		For periods of less than 12 months	(16)				(16)	
In respect of risks incepted in this financial year	<b>14</b>		194				194	
		For periods of more than 12 months						
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	<b>16</b>							
Total (12 to 16)	<b>19</b>		178				178	



**General insurance business (accident year accounting) : Analysis of premiums**Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative personal lines financial loss business**

	Company registration number	GL/UK/CM	day month year			Units	Category number
			GL	12	2009		
	<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>180</b>
	Gross premiums written	Earned in previous financial years	Reinsurers' share			Net of reinsurance	
<b>11</b>		<b>1</b>				<b>5</b>	
In respect of risks incepted in previous financial years		Earned in this financial year	of this financial year			Earned in this financial year	of this financial year
		<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>6</b>	
<b>12</b>							
In respect of risks incepted in previous financial years							
For periods of less than 12 months							
For periods of 12 months		<b>2</b>				<b>2</b>	
For periods of more than 12 months							
<b>16</b>		<b>3</b>				<b>3</b>	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year							
<b>19</b>		<b>5</b>				<b>5</b>	
Total (12 to 16)							

**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009****Total business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R22</b>	<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>001</b>
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	<b>11</b>	745		367		92	(287)	
	Reinsurers' share	<b>12</b>			11			11	
	Net (11-12)	<b>13</b>	745		356		92	(298)	
	Claims management costs	<b>14</b>			7			7	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>			47		0	47	
	Reinsurers' share	<b>16</b>							
	Net (15-16)	<b>17</b>			47		0	47	
	Claims management costs	<b>18</b>			1			1	
Provision for unexpired risks		<b>19</b>							
Net operating expenses	Commissions	<b>21</b>			(13)			(13)	
	Other acquisition expenses	<b>22</b>			0			0	
	Administrative expenses	<b>23</b>			(11)			(11)	
	Reinsurance commissions and profit participations	<b>24</b>							
	Total (21+22+23-24)	<b>29</b>				(24)		(24)	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>							
	Reinsurers' share	<b>32</b>							
	Claims management costs	<b>33</b>							
	Total (31-32+33)	<b>39</b>							
Split of line 29	Prior financial years	<b>41</b>							
	This financial year	<b>42</b>			(24)			(24)	
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>							
	Incidents occurring in this financial year	<b>52</b>							

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

Name of company **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		R22	2445040	GL	31	12	2009	£000	002
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	745		367		92	(287)	
	Reinsurers' share	12			11			11	
	Net (11-12)	13	745		356		92	(298)	
	Claims management costs	14			7			7	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15			47		0	47	
	Reinsurers' share	16							
	Net (15-16)	17			47		0	47	
	Claims management costs	18			1			1	
Provision for unexpired risks		19							
Net operating expenses	Commissions	21			(13)			(13)	
	Other acquisition expenses	22			0			0	
	Administrative expenses	23			(11)			(11)	
	Reinsurance commissions and profit participations	24							
	Total (21+22+23-24)	29			(24)			(24)	
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			(24)			(24)	
Split of line 39	Incidents occurring prior to this financial year	51							
	Incidents occurring in this financial year	52							

**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative accident and health**

		Company registration number	GL/UK/CM	day month year			Units	Category number	
		<b>R22</b>	<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>110</b>
			Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3		Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	<b>11</b>	599	313		52		(234)	
	Reinsurers' share	<b>12</b>		11				11	
	Net (11-12)	<b>13</b>	599	302		52		(245)	
	Claims management costs	<b>14</b>		6				6	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>		47		0		47	
	Reinsurers' share	<b>16</b>							
	Net (15-16)	<b>17</b>		47		0		47	
	Claims management costs	<b>18</b>		1				1	
Provision for unexpired risks		<b>19</b>							
Net operating expenses	Commissions	<b>21</b>		(13)				(13)	
	Other acquisition expenses	<b>22</b>		0				0	
	Administrative expenses	<b>23</b>		(11)				(11)	
	Reinsurance commissions and profit participations	<b>24</b>							
	Total (21+22+23-24)	<b>29</b>		(24)				(24)	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>							
	Reinsurers' share	<b>32</b>							
	Claims management costs	<b>33</b>							
	Total (31-32+33)	<b>39</b>							
Split of line 29	Prior financial years	<b>41</b>							
	This financial year	<b>42</b>		(24)				(24)	
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>							
	Incidents occurring in this financial year	<b>52</b>							

**General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions**Name of company **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009****Total primary (direct) and facultative personal lines financial loss business**

		Company registration number	GL/ UK/ CM	day month year			Units	Category number	
		<b>R22</b>	<b>2445040</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2009</b>	<b>£000</b>	<b>180</b>
			Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2	Amount carried forward to next financial year 3	Amount attributable to this financial year 4			
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	<b>11</b>	146	54	40	(52)			
	Reinsurers' share	<b>12</b>							
	Net (11-12)	<b>13</b>	146	54	40	(52)			
	Claims management costs	<b>14</b>		1		1			
Claims incurred in respect of incidents occurring in this financial year	Gross amount	<b>15</b>							
	Reinsurers' share	<b>16</b>							
	Net (15-16)	<b>17</b>							
	Claims management costs	<b>18</b>							
Provision for unexpired risks		<b>19</b>							
Net operating expenses	Commissions	<b>21</b>							
	Other acquisition expenses	<b>22</b>							
	Administrative expenses	<b>23</b>							
	Reinsurance commissions and profit participations	<b>24</b>							
	Total (21+22+23-24)	<b>29</b>							
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	<b>31</b>							
	Reinsurers' share	<b>32</b>							
	Claims management costs	<b>33</b>							
	Total (31-32+33)	<b>39</b>							
Split of line 29	Prior financial years	<b>41</b>							
	This financial year	<b>42</b>							
Split of line 39	Incidents occurring prior to this financial year	<b>51</b>							
	Incidents occurring in this financial year	<b>52</b>							

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

Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

**Total business**

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		8	9	10	day month year		Units	Category number	
							Reported (net)	Incurred but not reported (net)				31	12 2009			£000
			Claims paid (net) during 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 incurred (latest year) of developed (other years) during this financial year (4+5+6-7-8)	GL UK/CM	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %			
			1	2	3	4	5	6	7	8	9	10	11	12	13	001
12	2009	11				47					47			183		25.5
12	2008	12	388	50		188			3	47	139		1108	279.5	52.0	
12	2007	13	1982	874	703	83	10	42	58	74	3		4924	(4.2)	57.3	
12	2006	14	7130	3223	1803	30	19	5	360	48	(354)		21596	(42.4)	41.6	
12	2005	15	6939	4214	4081	38			137	10	(108)		24334	(2.2)	45.4	
12	2004	16	6758	5026	5442	15	6	2	7	0	15		18877	8.7	64.7	
12	2003	17	4300	3788	5330	2	6	2	1	0	9		12599	41.0	76.5	
12	2002	18	386	622	365								2895	(41.4)	25.9	
12	2001	19	446	159	669									320.8		
12	2000	20	24										11		218.2	
Prior accident years																
Reconciliation																
Total (11 to 22)						403	42	50	566	179	(250)					

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

Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

**Total primary (direct) and facultative business**

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		5	6	7	8	9	10	day month year		Units	Category number	
							Reported (net)	Incurred but not reported (net)							31	12			2009
			Claims paid (net) during 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 incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	GL/UK/CM	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %						
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
12	2009	11				47									183			002	
12	2008	12	388	50		188				47	139				1108	279.5		52.0	
12	2007	13	1982	874	703	83	10	42	58	74	3				4924	(4.2)		57.3	
12	2006	14	7130	3223	1803	30	19	5	360	48	(354)				21596	(42.4)		41.6	
12	2005	15	6939	4214	4081	38			137	10	(108)				24334	(2.2)		45.4	
12	2004	16	6758	5026	5442	15	6	2	7	0	15				18737	8.7		65.2	
12	2003	17	3770	3776	5227	2	6	2	1	0	9				11635	38.7		77.4	
12	2002	18	12	24	15										21	(38.4)		127.5	
12	2001	19																	
12	2000	20	24												11			218.2	
Prior accident years																			
Reconciliation																			
Total (11 to 22)						403	42	50	566	179	(250)								





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

Name of insurer

Indemnity Insurance Limited

Global business

Financial year ended **31 December 2009**

**Total primary (direct) and facultative accident and health**

Accident year ended	Company registration number		GL/UK/CM	day month year		Units	Category number							
	<b>R23</b>	<b>2445040</b>		<b>GL</b>	<b>31 12 2009</b>			<b>£000</b>	<b>110</b>					
Month	Year	1	2	3	4	Claims outstanding forward		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %	Claims ratio %		
						Claims paid (net) during the accident year	Claims outstanding (net) at the 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
		1	2	3	4	5	6	7	8	9	10	11	12	13
12	2009				47					47		178		26.2
12	2008	112	1		173			1	0	172		717	16104.1	39.8
12	2007	918	450	271	52	9	2	55	4	5		3471	(25.8)	36.1
12	2006	6035	2657	1419	29	19	5	359	25	(331)		20076	(44.6)	37.4
12	2005	5356	3491	3687	33			137	10	(114)		21630	6.6	42.0
12	2004	5639	4768	4613	14	6	2	7	0	14		17041	(2.8)	60.3
12	2003	3572	3550	4916	2	6	2	1	0	9		11071	38.8	76.8
12	2002	12	24	15								21	(38.4)	127.5
12	2001													
12	2000	24										11		218.2
Prior accident years														
Reconciliation														
Total (11 to 22)					349	41	11	560	39	(198)				

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

Name of insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

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

Accident year ended	Company registration number		GL/UK/CM	day month year			Units	Category number									
	R23	2445040		GL	31	12			2009	£000	180						
Month	Year	1	2	3	4	Claims outstanding forward		5	6	7	8	9	10	11	12	13	
						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
12	2009	11															
12	2008	12	49		15					2	47	(34)			390	(69.2)	74.5
12	2007	13	424	432	31	1	39			3	70	(2)			1453	18.6	107.8
12	2006	14	566	383	1					1	23	(23)			1520	(32.1)	97.3
12	2005	15	723	394	6							6			2704	(44.7)	73.3
12	2004	16	258	828	1							1			1696	221.5	114.9
12	2003	17	226	311											564	37.5	90.2
12	2002	18															
12	2001	19															
12	2000	20															
Prior accident years		21															
Reconciliation		22															
Total (11 to 22)		29			54	1	39			6	140	(52)					

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

Name of insurer

Indemnity Insurance Limited

Global business

Financial year ended **31 December 2009**

**Balance of all treaty reinsurance accepted business**

Accident year ended	Month	Year	1	2	3	4	Claims outstanding forward		5	6	7	8	9	10	day month year		Units	Category number
							Reported (net)	Incurred but not reported (net)							31	12		
							Claims paid (net) during the accident year	Total claims paid (net) since the end of the accident year	Claims paid (net) during this financial year	Claims outstanding forward	Claims outstanding brought forward	Company registration number	GL/UK/CM	Earned premiums (net)	Deterioration/ (surplus) of original claims reserve %			
	12	2009	11															709
	12	2008	12															
	12	2007	13															
	12	2006	14															
	12	2005	15															
	12	2004	16												140			
	12	2003	17			103									964	758.3		65.7
	12	2002	18			350									2874	(41.5)		25.2
	12	2001	19			669										320.8		
	12	2000	20															
	Prior accident years		21															
	Reconciliation		22															
	Total (11 to 22)		29															



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

Name of insurer Indemnity Insurance Limited

Currency British Pound

Global business

Reporting Territory United Kingdom other than home foreign

Financial year ended 31 December 2009

Pet insurance

Accident year ended	Company registration number		GL/UK/CM		day month year		Monetary units		Category number		Reporting territory code		
	2445040	GL	31	12	2009	000	186	AA					
Month	R31		Gross claims carried forward		Gross claims outstanding brought forward		Gross claims outstanding		Claims incurred (latest year) or developed (other years) during this financial year (4+5+6-7-8)		Gross earned premiums		Claims ratio %
	Year	1	2	3	4	5	6	7	8	9	10	11	
		Closed at some cost during this or previous financial years	Number of claims	Gross claims paid		Gross claims outstanding		Gross claims brought forward		Category number		Reporting territory code	
			Reported claims outstanding	In previous financial years	In this financial year	Reported	In this financial year	Reported	In this financial year	In previous financial years	In this financial year	Reported	In this financial year
12	2009	11											
12	2008	12	5	1	276	15		2	47	(34)	390	74.5	
12	2007	13	3298		1703	31		3	70	(2)	1793	99.0	
12	2006	14	4884		2004	1		1	23	(23)	1903	105.4	
12	2005	15	6476		2448	6				6	3094	79.3	
12	2004	16	10108		2423	1				1	2295	105.6	
12	2003	17	2314		588						566	103.9	
12	2002	18											
12	2001	19											
12	2000	20	1										
Prior accident years		21											
Total (11 to 21)		29			54	1	39	6	140	(52)			
Line 29 expressed in sterling		30			54	1	39	6	140	(52)			

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

**Supplementary notes to the Return**

Name of Company **Indemnity Insurance Limited**

Global Business

Financial year ended **31 December 2009**

**\*0101\* – Modification to the Return**

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

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

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

**\*0301\* – Reconciliation of Net Admissible Assets to Available Capital Resources**

	2009	2008
	£000s	£000s
Form 13 line 89	11,352	12,864
Form 15 line 69	(597)	(3,842)
	<hr/>	<hr/>
	10,755	9,022
Total Capital resources after deductions (Form 3 line 79)	10,755	9,022

**\*0313\* – Reconciliation of Movement in Net Profit to Retained Profit for the Year**

	£'000
Form 3 col 3 line 12 (Reserves c/f)	(4,145)
Form 3 col 4 line 12 (Reserves b/f)	(5,248)
Movement in Reserves	<hr/>
	1,103
Form 16 Line 59 - Profit and Loss Retained	<hr/>
	1,104

**\*1304\* – Set-Off**

Amounts have been set off to the extent permitted by generally accepted accounting principles.

**\*1305\* – Maximum Counterparty Limits**

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

**Supplementary notes to the Return**

Name of Company **Indemnity Insurance Limited**

Global Business

Financial year ended **31 December 2009**

\*1306\* – Exposure to Large Counterparties

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

	2009
	£'000
Royal Bank of Scotland Group Plc (deposits)	1,368
Commonwealth Bank of Australia (bonds)	1,001
Deutsche Bank AG (bonds)	994
KBC Groep NV (bonds)	992
National Australia Bank Ltd (bonds)	526
SAS Rue La Boetie (bonds)	513
Bank of Nova Scotia (bonds)	496
	<u>5,890</u>

\*1501\* – Provision for Reasonably Foreseeable Adverse Variations

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

\*1502\* – Other Than Long Term Business Assets/Liabilities

- a) No charge has been made on the assets of the Company to secure the liabilities of any other person.
- b) There is no potential capital gains tax liability
- c) There are no guarantees, indemnities or other contractual commitments, effected other than in the ordinary course of insurance business, in respect of related companies
- d) There are no other contingent liabilities
- e) There are no fundamental uncertainties

\*1601\* – Basis of Conversion

Assets and liabilities denominated in foreign currencies are included within the return at exchange rates ruling at the end of the accounting period. Items of income and expenditure denominated in foreign currencies are included within the return at exchange rates ruling at the end of the month in which the income or expenditure arose.

\*1603\* – Other Income and Charges

	2009	2008
	£'000	£'000
Foreign exchange translation losses	(5)	-
Other operating income	741	-
Total Other Income and Charges	<u>736</u>	<u>-</u>

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

**Supplementary notes to the Return**

Name of Company            **Indemnity Insurance Limited**

Global Business

Financial year ended        **31 December 2009**

\*1700\* – Derivative Contracts

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

\*20Ab\* – Risk Categories

The following risk categories include contracts of insurance against risk of death or injury to passengers:  
113 – Travel

\*20Ae\* – Facultative Business

There is no facultative reinsurance business included.

\*20Af\* – Balances Reported Under Category 113

All the balances reported under category 113 relate to category 1 Accident and Health under IPRU(INS) Annex 11.2 part ii.

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

\*20Ag\* – Gross Premiums written attributable to Overseas Countries

Risk Category	113 '000
Republic of Ireland	(15)

\*2007\* – Material Connected Party Transactions

- i. The Company has entered into banking arrangements with National Westminster Bank Plc, a fellow subsidiary of The Royal Bank of Scotland Group plc. At 31 December 2009 the Company held net deposits of £1,452,000 in its bank accounts operated under these arrangements.
- ii. A fellow subsidiary, RBS Insurance Services Limited (RBSIS), provides staff/administration services to the Company. During the course of 2009, an amount of £930 was recharged to the Company by RBSIS. At 31 December 2009, the Company owed an amount of £22,000 to RBSIS in respect of these services.
- iii. The Company has entered into banking arrangements with The Royal Bank of Scotland Group plc. The exposure to the Royal Bank of Scotland plc is detailed in Note 1306. Additionally the Company has purchased UK treasury bonds also detailed in Note 1306.



## Supplementary notes to the Return

Name of Company            **Indemnity Insurance Limited**

Global Business

Financial year ended        **31 December 2009**

### \*2007\* – Material Connected Party Transactions (Continued)

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

### \*2102\* – Provision for Unearned Premium

The provision for unearned premiums accounted on an accident year basis is calculated using a daily basis, 24ths basis or allowing for the estimate incidence of exposure under policies which are longer than twelve months. This method is employed as being the most accurate possible given the Company's data and existing systems.

### \*2202\* – Claims Management Expenses

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

### \*2204\* – Acquisition Costs

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

### \*2205\* – Unexpired Risk Reserve

In setting an unexpired risk reserve the Company offsets surpluses in one class of business against deficits in other classes within the same business segment on the grounds that all business classes within each business segment are managed together. In setting the reserve investment income is taken into consideration. No provision was required at 31 December 2009 (2008: £nil).

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

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

Name of Company **Indemnity Insurance Limited**

Global Business

Financial year ended **31 December 2009**

Reinsurer details	Connection	Proportional Reinsurance Treaties	Non Proportional Reinsurance Treaties	Debts outstanding included at F13L75	Deposits received included at F15L31	Anticipated recoveries
As required by Rule 9.25:		£000	£000	£000	£000	£000
Headrow Reinsurance Ltd Post Office Box 33 Maison Trinity Trinity Square St Peter Port Guernsey GY1 4AT	Wholly owned subsidiary of RBS Group, the company's ultimate parent. Proportional Treaty commuted as at 30/09/07	-	-	-	-	-
Brit Insurance Ltd 55 Bishopsgate London EC2N 3AS	None	-	-	-	-	-
Converium Ltd General Guisan-Quai 26 8022 Zurich Switzerland	None	-	-	-	-	-
Everest 40 Lime Street London EC3M 5BS	None	-	-	-	-	-
Lloyds Underwriters Lime Street London England	None	-	-	-	-	-
Odyssey America Re Corp UK Branch 4 <sup>th</sup> Floor London Underwriting Centre 1 Minister Court London EC3	None	-	-	-	-	-
Swiss Re Germany Sederanger 4-6 Munich D-8000 Germany	None	-	-	-	-	-
Transatlantic Reinsurance Co, Corn Exchange 55 Mark Lane London EC3R 7NE	None	-	-	-	-	-

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

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

Name of Company **Indemnity Insurance Limited**

Global Business

Financial year ended **31 December 2009**

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

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

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

Name of Company  
Global Business

**Indemnity Insurance Limited**

Financial year ended

**31 December 2009**

Reinsurer details	Connection	Reinsurance premiums payable	Debts outstanding included at F13L75	Deposits received included at F15L31	Anticipated recoveries	Comments
As required by Rule 9.27:		£000	£000	£000	£000	£000
The company has no major cedants						

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

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

Name of Company            **Indemnity Insurance Limited**

Global Business

Financial year ended        **31 December 2009**

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

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

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

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

Name of Company **Indemnity Insurance Limited**  
Global Business

Financial year ended **31 December 2009**

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

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

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

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

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

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

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

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

c) There are no derivative contracts outstanding at 31 December 2009.



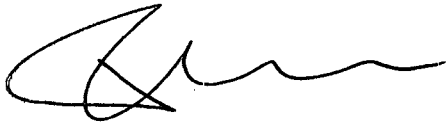
**Rule 9.34 DIRECTORS' CERTIFICATE**

Name of Company                      **Indemnity Insurance Limited**  
Global Business  
Financial year ended                      **31 December 2009**

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

We certify that:

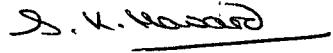
1. the return, comprising Forms 1, 3, 11 to 13, 15, 16, 20A, 20 to 23 and 31 (including the supplementary notes) and the statements required by rules 9.25, 9.26, 9.27, 9.29, 9.30, 9.32 and 9.32A, has been properly prepared in accordance with the Accounts and Statements Rules set out in part I and part IV of chapter 9 of IPRU(INS), the Interim Prudential Sourcebook for Insurers, GENPRU, the General Prudential Sourcebook and INSPRU, the Prudential Sourcebook for Insurers; and
2. the directors are satisfied that:
  - (i) throughout the financial year, the Company has complied in all material respects with the requirements in SYSC, Senior Management Arrangements, Systems and Controls, and PRIN, Principles for Business, sections of the FSA Handbook as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
  - (ii) it is reasonable to believe that the Company has continued so to comply subsequently, and will continue so to comply in future.



Director



Director



Director

18 March 2010



## AUDITORS' REPORT

Name of Insurer **Indemnity Insurance Limited**

Global business

Financial year ended **31 December 2009**

### **Report of the auditors to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook for Insurers**

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

- Forms 1, 3, 11 to 13, 15, 16, 20A, 20 to 23 and 31, (including the supplementary notes) on pages 1 to 37 ("the Forms"); and
- the statements required by IPRU(INS) rules 9.25, 9.26, 9.27 rule 9.29 and rule 9.32.

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

- the statements required by IPRU(INS) rule 9.32A on page 45 and rule 9.30 on page 47; and
- the directors' certificate required by IPRU(INS) rule 9.34 on page 48 ("the directors' certificate").

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

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

The company is responsible for the preparation of an annual return (including the Forms, the Statements, the statements not examined by us and the directors' certificate) under the provisions of the Rules. The requirements of the Rules have been modified by a waiver issued under section 148 of the Financial Services and Markets Act 2000 on 16 June 2009. Under IPRU(INS) rule 9.11 the Forms, the Statements, the statements not examined by us and the directors' certificate are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms and the Statements meet these requirements, and to report our opinions to you. We also report to you if, in our opinion, the company has not kept proper accounting records or we have not received all the information we require for our examination.

**AUDITORS' REPORT continued**

**Basis of opinion**

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

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

**Opinion**

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

*Deloitte LLP*

**Deloitte LLP**

Chartered Accountants and Statutory Auditors  
London, United Kingdom

18 March 2010