

THE  
**GRIFFIN**  
INSURANCE ASSOCIATION LIMITED

**Return to the Insurance and Friendly Societies  
Division of the Financial Services Authority**

THIS IS AN AC COMPANY  
DOCUMENT DELIVERED  
UNDER THE INSURANCE  
ACT 1984

**2001** *Insurance Returns under the Accounts and Statements Rules  
Year Ending 30 September*

AC1624



E10 \*EHNSBKT\* 0082  
COMPANIES HOUSE 11/06/02

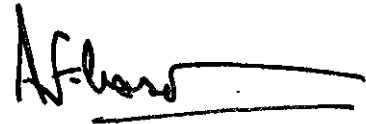
## Statement of solvency - signature of the returns

Name of company THE GRIFFIN INSURANCE ASSOCIATION LIMITED

Global business/UK branch/EEA branch business

Financial year ended 30 September 2001

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R9	2134231	GL	30	9	01	£000

  
Director  
Director  
Secretary - A. F. Gosden  
Managers - Griffin Managers Ltd.

## Statement of solvency

Name of company THE GRIFFIN INSURANCE ASSOCIATION LIMITED

Global business/UK branch/EEA branch business

Financial year ended 30 SEPTEMBER 2001

R9	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
	2134231	GL	30	9	01	£000
		As at the end of this financial year 1	As at the end of the previous year 2	Source		
				Form	Line	Column

## GENERAL BUSINESS

## Available assets

Other than long term business assets allocated towards general business required minimum margin	11	13,058	14,038	See instructions 1 and 2	
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## Required minimum margin

Required minimum margin for general business	12	917	525	12	49
Excess (deficiency) of available assets over the required minimum margin (11 - 12)	13	12,141	13,513		

## LONG TERM BUSINESS

## Available assets

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

## Implicit items admitted under rule 9.29 of the Accounts and Statements Rules

Future Profits	31				
Zilmerising	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 business	41	-	-	60	69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	-	-		
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	-	-		
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	-	-		

## CONTINGENT LIABILITIES

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

## Statement of net assets

Name of company THE GRIFFIN INSURANCE ASSOCIATION LIMITED

Global business/UK branch/EEA branch business

Financial year ended 30 SEPTEMBER 2001

	R10	Company registration number	GL/UK/CM	Period ended			Units
				day	month	year	
				30	9	01	
			GL	30	9	01	£000
		As at the end of this financial year 1	As at the end of the previous year 2	Source			
				Form	Line	Column	
Long term business - admissible assets	11			13	89	1	
Long term business - liabilities and margins	12			14	59	1	
Other than long term business - admissible assets	21	35,427	35,286	13	89	1	
Other than long term business - liabilities	22	22,369	21,248	15	69	1	
Net admissible assets (21-22)	23	13,058	14,038				
Other assets allowed to be taken into account in covering the required minimum margin	24	Unpaid amounts (including share premium) on partly paid shares					
	25	Supplementary contributions for a mutual carrying on general business					
Liabilities allowed to be left out of account in covering the required minimum margin	26	Subordinated loan capital					
	27	Cumulative preference share capital					
Available assets (23 to 27)	29	13,058	14,038				

## Represented by:

Paid up share capital (other than cumulative preference share capital)	51					
Amounts included in lines 24 to 27 above	52	0	0			
Amounts representing the balance of net assets	56	13,058	14,038			
Total (51 to 56) and equal to line 29 above	59	13,058	14,038			

Movement of balance of net assets for  
solvency purposes - as per line 56

Balance brought forward at the beginning of the financial year	61	14,038	9,165	10	56	2
Retained profit/(loss) for the financial year	62	(1,023)	4,089	16	59	1
Movement in asset valuation differences	63	43	784	See instruction 2		
Decrease/(increase) in the provision for adverse changes	64	0		See instruction 3		
Other movements (particulars to be specified by way of supplementary note)	65					
Balance carried forward at the end of the financial year (61 to 65)	69	13,058	14,038			

## General business: Calculation of required margin of solvency - first method

Name of company THE GRIFFIN INSURANCE ASSOCIATION LIMITED

Global business/~~UK branch~~/~~EEA branch business~~

Financial year ended 30 SEPTEMBER 2001

			Company registration number	GL/UK/CM	Period ended			Units	
			R11	2134231	GL	30	9	01	£000
						day	month	year	

**General business: Calculation of required margin of solvency - second method, and statement of required minimum margin**Name of company **THE GRIFFIN INSURANCE ASSOCIATION LIMITED**

Global business/UK branch/EEA branch business

Financial year ended **30 SEPTEMBER 2001**

			Company registration number	GL/UK/CM	Period ended			Units	
			R12	2134231	GL	30	9	01	£000
				This financial year 1	The previous year 2	Source			
						Form	Line	Column	
Reference period (No. of financial years) Insert '0' if there is no reference period otherwise insert '3' or '7'			3	11	3	3	See instruction 1		
Claims paid in reference period			21	13,726	16,359				
Claims outstanding carried forward at the end of the reference period	For business accounted for on an underwriting year basis		22	19,439	17,910				
	For business accounted for on an accident year basis		23						
Claims outstanding brought forward at the beginning of the reference period	For business accounted for on an underwriting year basis		24	23,206	23,252				
	For business accounted for on an accident year basis		25						
Sub-total E (21+22+23-(24+25))			29	9,959	11,017				
Sub-total F - Conversion of sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)			31	3,320	3,672				
Division of sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100	32	863	955				
		Excess (if any) over 7M ECU x 23/100	33	0	0				
	Health insurance	Up to and including sterling equivalent of 7M ECU x 26/300	34						
		Excess (if any) over 7M ECU x 23/300	35						
		Sub-total G (32 to 35)		39	863	955			
Second result									
Sub-total G x Sub-total D (or, if 1/2 is a greater fraction, x 1/2) Sub-total C			41	773	477				

First result	42	917	525	11	41
Required margin of solvency (the higher of lines 41 and 42)	43	917	525		

Minimum guarantee fund	44	174	192		
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Required minimum margin (the higher of lines 43 and 44)	49	917	525		
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## Analysis of admissible assets

Name of company **THE GRIFFIN INSURANCE ASSOCIATION LIMITED**Global business/~~UK branch~~/~~EEA branch business~~Financial year ended **30 SEPTEMBER 2001**Category of assets **Total other than long term business assets**

		Company registration number	GL/UK/CM	Period ended			Units of assets	Category of assets	
		R13	2134231	GL	day 30	month 9	year 01	£000	1
Investments				As at the end of this financial year 1			As at the end of the previous year 2		
Land and buildings			11						
Investments in group undertakings and participating interests	UK insurance dependents	Shares	21						
		Debt securities issued by, and loans to, dependents	22						
	Other insurance dependents	Shares	23						
		Debt securities issued by, and loans to, dependents	24						
	Non-insurance dependents	Shares	25						
		Debt securities issued by, and loans to, dependents	26						
	Other group undertakings and participating interests	Shares	27						
		Debt securities issued by, and loans to, group undertakings	28						
		Participating interests	29						
Debt securities issued by, and loans to, undertakings in which the company has a participating interest		30							
Total sheet 1 (11 to 30)			39	0			0		

## Analysis of admissible assets

Name of company THE GRIFFIN INSURANCE ASSOCIATION LIMITED

Global business/UK branch/EEA branch business

Financial year ended 30 SEPTEMBER 2001

Category of assets Total other than long term business assets

Company registration number			GL/UK/CM	Period ended			Units of assets	Category of assets		
				day	month	year				
R13			2134231	GL	30	9	01	£000	1	
Investments (continued)				As at the end of this financial year			As at the end of the previous year			
Deposits with ceding undertakings				1			2			
Assets held to cover linked liabilities										
Other financial investments	Equity shares		41	5,528			5,594			
	Other shares and other variable yield securities		42							
	Holdings in collective investment schemes		43	150			185			
	Rights under derivative contracts		44							
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45	20,785			19,085		
			Other	46						
		Variable interest	Approved securities	47						
			Other	48						
		Participation in investment pools		49						
		Loans secured by mortgages		50						
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51						
		Loans secured by policies of insurance issued by the company		52						
		Other		53						
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54	614			1,814		
		Withdrawal subject to a time restriction of more than one month		55						
	Other		56							
Deposits with ceding undertakings		57								
Assets held to match linked liabilities	Index linked		58							
	Property linked		59							
Reinsurers' share of technical provisions	Provision for unearned premiums		60							
	Claims outstanding		61	6,058			5,738			
	Provision for unexpired risks		62							
	Other		63							
Total sheet 2 (41 to 63)		69	33,135			32,416				



## Analysis of admissible assets

Name of company THE GRIFFIN INSURANCE ASSOCIATION LIMITED

Global business/UK branch/EEA branch business

Financial year ended 30 SEPTEMBER 2001

Category of assets Total other than long term business assets

			Company registration number	GL/UK/CM	Period ended			Units of assets	Category of assets	
					day	month	year			
			R13	2134231	GL	30	9	01	£000	1
Debtors Other assets				As at the end of this financial year 1			As at the end of the previous year 2			
Debtors arising out of direct insurance operations	Policyholders		71	46			4			
	Intermediaries		72							
Salvage and subrogation recoveries			73							
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted		74							
	Due from reinsurers and intermediaries under reinsurance contracts ceded		75							
Other debtors	Due from dependents	Due in 12 months or less after the end of the financial year	76							
		Due more than 12 months after the end of the financial year	77							
	Other	Due in 12 months or less after the end of the financial year	78	180			760			
		Due more than 12 months after the end of the financial year	79							
Tangible assets			80							
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions, approved financial institutions and local authorities		81	1,741			1,791			
	Cash in hand		82							
Other assets (particulars to be specified by way of a supplementary note)			83							
Prepayments and accrued income	Accrued interest and rent		84	313			300			
	Deferred acquisition costs		85							
	Other prepayments and accrued income		86	12			15			
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets			87							
Total sheet 3 (71 to 86 less 87)			88	2,292			2,870			
Grand total admissible assets (39+89+88)			89	35,427			35,286			

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

Total admissible assets (as per line 89 above)	91	35,427	35,286
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)	92	0	43
Solvency margin deduction for insurance dependents	93		
Other differences in the valuation of assets (other than for assets not valued above)	94		
Assets of a type not valued above (as valued in accordance with the shareholder accounts rules)	95		
Total assets determined in accordance with the shareholder accounts rules (91 to 95)	99	35,427	35,329
Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance	100		

**Liabilities (other than long term business)**Name of company **THE GRIFFIN INSURANCE ASSOCIATION LIMITED**Global business/~~UK branch~~/~~EEA branch business~~Financial year ended **30 SEPTEMBER 2001**

			Company registration number	GL/UK/CM	Period ended			Units	
					day	month	year		
			R15	2134231	GL	30	9	01	£000
				As at the end of this financial year 1		As at the end of the previous year 2			
Technical provisions (gross amount)	Provisions for unearned premiums		11						
	Claims outstanding		12	20,980		19,403			
	Provisions for unexpired risks		13						
	Equalisation provisions	Credit business	14						
		Other than credit business	15						
	Other		16						
	Total (11 to 16)		19	20,980		19,403			
Provisions for other risks and charges	Taxation		21	0		298			
	Other		22						
Deposits received from reinsurers			31						
Creditors	Arising out of insurance operations	Direct business	41	903		729			
		Reinsurance accepted	42						
		Reinsurance ceded	43	2		37			
	Debenture loans	Secured	44						
		Unsecured	45						
	Amount owed to credit institutions		46						
	Other creditors	Taxation	47	404		699			
		Recommended dividend	48						
		Other	49	80		82			
Accruals and deferred income			51						
Total (19 to 51)			59	22,369		21,248			
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)			61						
Cumulative preference share capital			62						
Subordinated loan capital			63						
Total (59 to 63)			69	22,369		21,248			
Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance			71						

**Profit and loss account (non-technical account)**Name of company **THE GRIFFIN INSURANCE ASSOCIATION LIMITED**

Global business/UK branch/EEA branch business

Financial year ended **30 SEPTEMBER 2001**

			Company registration number	GL/UK/CM	Period ended			Units	
					day	month	year		
			R16	2134231	GL	30	9	01	£000
				As at the end of this financial year 1	As at the end of the previous year 2	Source			
						Form	Line	Column	
Transfer (to)/from the general business technical account	From form 20	11	91	3,598	20	59			
	Equalisation provisions	12							
Transfer from the long term business revenue account		13			40	26			
Investment income	Income	14	1,572	1,532					
	Value re-adjustments on investments	15	678	1,198					
	Gains on the realisation of investments	16	96	463					
Investment charges	Investment management charges, including interest	17	111	105					
	Value re-adjustments on investments	18	1,629	199					
	Loss on the realisation of investments	19							
Allocated investment return transferred to the general business technical account		20	1,507	1,665	20	51			
Other income and charges (particulars to be specified by way of supplementary note)		21							
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	(810)	4,822					
Tax on profit or loss on ordinary activities		31	213	733					
Profit or loss on ordinary activities after tax (29-31)		39	(1,023)	4,089					
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	(1,023)	4,089					
Dividends (paid and proposed)		51							
Profit or loss retained for the financial year (49-51)		59	(1,023)	4,089					

## Analysis of derivative contracts

Name of company THE GRIFFIN INSURANCE ASSOCIATION LIMITED

Business: Long-term / Other than long term

Global business / UK-branch / EEA-branch-business

Financial year ended 30 SEPTEMBER 2001

Category of assets Total other than long term business assets

			Company registration number	GL/UK/CM	Period ended			Units of assets	Category of assets	
			R17	2134231	GL	30	9	01	£000	1
			At the end of this financial year			At the end of the previous year				
Derivative contracts			Assets 1	Liabilities 2	Assets 1	Liabilities 2				
Futures Contracts	Fixed-interest securities	11								
	Equity shares	12								
	Land	13								
	Currencies	14								
	Other	15								
Options	Fixed-interest securities	21								
	Equity shares	22								
	Land	23								
	Currencies	24								
	Other	25								
Contracts for differences	Fixed-interest securities	31								
	Equity shares	32								
	Land	33								
	Currencies	34								
	Other	35								
Adjustment for variation margin		41								
Total (11 to 41)		49	0	0	0	0	0	0	0	0

**General business: Technical account (excluding equalisation provisions)**Name of company **THE GRIFFIN INSURANCE ASSOCIATION LIMITED**

Global business/UK branch/EEA branch business

Financial year ended **30 SEPTEMBER 2001**

Company registration number			GL/UK/CM	Period ended			Units		Accounting class/summary
				day	month	year			
R20			2134231	GL	30	9	01	£000	Summary
Items to be shown net of reinsurance			As at the end of this financial year 1	As at the end of the previous year 2	Source				
					Form	Line	Column		
This year's underwriting (accident year accounting)	Earned premium	11					21	19	5
	Claims incurred	12					22	17	4
	Claims management costs	13					22	18	4
	Adjustment for discounting	14					22	52	4
	Increase in provision for unexpired risks	15					22	19	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	16							
	Net operating expenses	17					22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19		0		0			
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21					21	11	5
	Claims incurred	22					22	13	4
	Claims management costs	23					22	14	4
	Adjustment for discounting	24					22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25							
	Net operating expenses	26					22	41	4
	Balance (21-22-23+24+25-26)	29		0		0			
Balance from underwriting year accounting	Per Form 24	31		(1,416)		1,933	24	69	99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32							
	Total	39		(1,416)		1,933			
Balance of all years' underwriting (19+29+39)		49		(1,416)		1,933			
Allocated investment return		51		1,507		1,665			
Transfer to non-technical account (49+51)		59		91		3,598			



**THE GRIFFIN INSURANCE ASSOCIATION LIMITED**

Global business/UK-branch/EEA-branch-business

Company	Period ended
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**30 SEPTEMBER 2001**

## Units Accounting

[illegible]

**THE GRIFFIN INSURANCE ASSOCIATION LIMITED**

Global business/UK branch/EEA branch-business

**30 SEPTEMBER 2001**

Financial year ended										30 SEPTEMBER 2001										Company registration										GL/JUK/CM										Period ended										Units										Accounting 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Accounting class										THIRD PARTY LIABILITY										number										day										month										year										£000										Total all previous 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Underwriting year ended										Prior underwriting years										R25										2134231										GL										30										9										01										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										MM										YY										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**General business (underwriting year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance**Name of company **THE GRIFFIN INSURANCE ASSOCIATION LIMITED**

Global business/UK branch/EEA-branch-business

Financial year ended

**30 SEPTEMBER 2001**

Financial year ended			30 SEPTEMBER 2001			Company registration number		GL/UK/CM		Period ended			Units		Country		Accounting class						
Risk group		Underwriting year ended		PROFESSIONAL INDEMNITY - CLAIMS MADE		R34		2134231		GL		day		month		year		£000		UK		7	
				Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward															
				In previous financial years		In this financial year		Reported		Incurred but not reported		Reported		Incurred but not reported		Balance on each underwriting year (2+3+4-5-6)		Gross premiums written		Claims ratio %			
Month		Year		1		2		3		4		5		6		7		8		9			
09	01		11		193		3,307									3,500		5,689					
09	00		12		149		3,542					3,792				0		5,833					
09	99		13		678		400		1,670			3,574				(1,504)		6,353					
09	98		14		258		25		1,396			957				464		7,455					
09	97		15		4,530		632		8,812			8,631				813		8,523					
09	96		16		2,087		4		11			91				(76)		8,055					
09	95		17		8,518		26		470			411				85		8,877					
09	94		18		1,228		0		221			236				(15)		7,557					
09	93		19		1,260		0		5			5				0		5,612					
09	92		20		2,057		0		5			208				(203)		6,767					
Prior underwriting years			21			2	0		0			5				(3)							
Total (11 to 21)			29			1,532	19,439		0			17,910				3,061							
Line 29 expressed in sterling			30			1,532	19,439		0			17,910				3,061							

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

Name of company	THE GRIFFIN INSURANCE ASSOCIATION LIMITED
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### Accounting Class : Third Party

Global business/UK branch/EEA branch-business

**Currency - Sterling**

Company	Period ended
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Financial year ended  
30 SEPTEMBER 2001

30 SEPTEMBER 2001

**GL/UK/CM**

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Country

## Accounting

[illegible]

## Returns under the Accounts and Statements Rules

Annex to returns

Name of company **The Griffin Insurance Association Limited**

Global business / ~~UK branch~~ / ~~EEA branch business~~

Financial year ended **30 September 2001**

### 1. Rules 9.27 and 9.32: Major General Business Reinsurance Cedants

The non-proportional reinsurance arrangements applicable to the year ending 30 September 2001 were as follows:

The Excess of Loss reinsurance programme operates on an each and every claim basis. The reinsurance programme pays claims in excess of £2m each claim which is retained by the Association (this is additional to individual members self insured retention). The reinsurance programme pays claims up to the £20m limit of cover provided by the Association. The Association also acts as a co-reinsurer to the extent of 10% on the first layer of cover which is for £3m excess of £2m.

The basic premium covers one full claim and there are provisions for reinstatements.

The major reinsurers and their participators are:

	Premiums payable for year to 30.9.01 £	Amounts due from reinsurers £	Reinsurance recovery on outstanding claims £
CNA Reinsurance of London Ltd 124 - 135 Fenchurch Street, London	138,685	NIL	341,165
General Reinsurance Ltd 32 Aldgate High Street, London	248,087	NIL	1,004,582
Unionamerica Insurance Company Ltd 2 Minster Court, Mincing Lane, London	97,135	NIL	210,887
QBE Insurance and Reinsurance (Europe) Ltd 13, Fenchurch Street, London	134,904	NIL	538,830
Lloyds Underwriters (Various syndicates) The 1986 Building, 1 Lime Street, London	208,082	NIL	2,101,718

### 2. Rules 9.25 and 9.26: Major treaty and facultative reinsurers

The Association is not connected with any of its reinsurers and has no cedant or facultative reinsurers.

### 2. Rule 9.29: Derivative contracts

The Association has no derivative contracts. Accordingly Rule 9.29 requires no additional information to be disclosed

### 3. Rule 9.30: Additional information on shareholder controllers

The Association is a mutual company limited by guarantee and therefore there are no shareholder controllers.

# Returns under the Accounts and Statements Rules

## Supplementary notes

Name of company                      **The Griffin Insurance Association Limited**

Global business / ~~UK branch / EEA branch business~~

Financial year ended                      **30 September 2001**

This return has been prepared in Sterling which is the accounting currency of the Association. The rate of exchange used in the calculation of the solvency margin is £0.5809 = 1ECU (European Currency Unit).

1001 - Reconciliation of net assets per this return to net assets per the Financial Statements prepared in accordance with the Companies Act 1985.

	2001 £(000)	2000 £(000)
Assets (Form 13 line 99)	35,427	35,329
Liabilities (Form 15, line 59)	(22,369)	(21,248)
Net assets as per Members Financial Statements	<u>13,058</u>	<u>14,081</u>

1301/1308 - The Aggregate bid value of units in regulated collective investments schemes was £150,364.

1305/1311 - The Association's investment guidelines permit the following maximum counterparty limits:-

- (a) Not more than 7½% of the portfolio shall be held as cash or deposits with any single banking group. The relevant rating by Standard and Poor's of such banking group shall be A or better.
- (b) Not more than 5% of the portfolio shall be invested in any single bond except in the case of issues by the Governments of the UK and USA, where not more than 20% of the portfolio shall be invested in a single issue.
- (c) Not more than 2½% of the portfolio shall be invested in any single equity.
- (d) The portfolio shall not hold more than 5% of the share capital of any single company.

1306/1312 - The amount and nature of the exposure at the year end to large counterparties

As at 30 September 2001 the Association had the following exposure to large counterparties (more than 5% of the Association's General Business Amount):

HM Government	Approved Securities	£14,562,184
US Government	Approved Securities	£6,223,603
Bank One	Balances at bank	£818,750
Natwest	Balances at bank	£891,248

1502 - There were no charges over the Association's assets as at 30 September 2001. The Association has no contingent liabilities or guarantees.

2002 - Location of risks

The Association's business, which is accounted for on an underwriting year basis, is entirely attributable to the UK.

## Returns under the Accounts and Statements Rules

### Supplementary notes

Name of company                      **The Griffin Insurance Association Limited**

Global business / ~~UK branch~~ / ~~EEA branch business~~

Financial year ended                      **30 September 2001**

#### 2402 - Underwriting Year Accounting

- (a) The Association accounts for all business on an underwriting year basis so that claims notified may be matched against the premiums called on contracts for insurance incepting during an underwriting year.
- (b) Outstanding claims are provided for on the annual method.

#### 2404 - Claims Management Costs

The management fee has been allocated between claims management and other operating costs on the basis of staff time and costs. Future claims management costs carried forward at 30 September 2001 are calculated using decreasing percentages of the current annual cost over the number of years estimated to run off outstanding claims, having regard to the long tail nature of the business written.

#### 2406 - Acquisition costs

These costs represent that element of the management costs which directly relates to underwriting, the renewal of the entry of existing members, negotiations with potential members and the processing of entry documentation.

#### 2407 - Premiums written

The negative amounts in underwriting years 1994 and 1995 represent returns of call in respect of that year accounted for in the current financial year.

2408 - Amounts under the heading "Prior underwriting years" all relate to the years ended 30 September 1989, 1990 and 1991.

Returns under the Accounts and Statements Rules

Directors' certificate pursuant to rule 9.34 (a)

Name of company The Griffin Insurance Association Limited

Global business / UK branch / EEA branch business

Financial year ended 30 September 2001

We certify:

1. (a) that in relation to the part of the returns comprising Forms 9 to 13 and 15 to 17, 20, 24, 25 and 34 (including the supplementary notes) and the statements required by rules 9.25, 9.26, 9.27, 9.29, 9.30 and 9.32:
  - (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 company; and
  - (iii) appropriate systems and controls has been established and maintained by the company over its transactions and records;
- (b) that reasonable enquiries have been made by the Association 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 Association's business which is not excluded by rule 7.6, the assets held throughout the financial year enabled the company to comply with rules 7.1 to 7.5 (matching and localisation); and
- (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 margin of solvency required by rule 2.1 has been maintained throughout the financial year.
3. (a) that the systems of control established and maintained by the Association 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 continued to so comply subsequently and will continue to so comply in future; and
- (b) that this return has been prepared in accordance with the following published guidance:
  - (i) Guidance Note 4.1 "Guidance for insurance companies and auditors on the Valuation of Assets Rules";
  - (ii) Guidance Note 4.2 "Use of derivative contracts in insurance funds"; and
  - (iii) Guidance Note 9.1 "Preparation of Returns".

Director -

Director -

Managers - Griffin Managers Ltd

Secretary - A. F. Gosden

13TH FEBRUARY 2002

## Returns under the Accounts and Statements Rules

Report of the auditors to the directors pursuant to rule 9.35.

Name of company                      **The Griffin Insurance Association Limited**

Global business / UK branch / EEA branch business

Financial year ended                      **30 September 2001**

We have examined the following documents prepared by the Association pursuant to the Accounts and Statements Rules set out in part 1 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.

- Forms 9 to 13 and 15 to 17, 20, 24, 25 and 34 (including the supplementary notes) ("the Forms");
- the statements required by rules 9.25, 9.26, 9.27, and 9.29 on pages [ ] to [ ]; ("the statements") and
- the certificate signed in accordance with rule 9.34(a) on pages 2 and 3 ("the certificate").

In the case of the annex, our examination did not extend to paragraph 1 in relation to the statements required by rules 9.30 and 9.32, concerning shareholder controllers and general business ceded.

### Respective responsibilities of the Association and its auditors

The Association 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 opinion 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.

### Bases 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. The evidence included that obtained by us relating to the audit of the financial statements of the Association for the financial year. It also included an assessment of the significant estimates and judgements made by the Association in the preparation of the Forms and 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 statements are free from material misstatements, 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 Association's internal control systems.

**Returns under the Accounts and Statements Rules**

Report of the auditors to the directors pursuant to rule 9.35.

Name of company **The Griffin Insurance Association Limited**

Global business / ~~UK branch~~ / ~~EEA branch business~~

Financial year ended **30 September 2001**

**Opinion**

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 provisions of those Rules; and
- (b) based on 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.

  
Moore Stephens  
Chartered Accountants  
Registered Auditors

St. Paul's House  
Warwick Lane  
London, EC4P 4BN

13TH FEBRUARY 2002