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ODYSSEY INSURANCE COMPANY LIMITED  
RETURN TO THE DEPARTMENT OF TRADE AND INDUSTRY  
UNDER THE INSURANCE COMPANIES ACT, 1982  
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 1996

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THIS IS AN AC COMPANY  
DOCUMENT DELIVERED  
UNDER THE INSURANCE  
ACT 1982

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

Name of company ODYSSEY INSURANCE COMPANY LIMITED

Global business/UK branch business/EEA branch business

Financial year ended 31st December 1996

Company registration number	GL/UK/CM	Period ended			Units	
		day	month	year		
R11	F10368	GL	31	12	96	£000

				This financial year	Previous year
				1	2
Gross premiums receivable			11	(4)	29
Premium taxes and levies (included in line 11)			12	-	-
Sub-total A (11-12)			13	(4)	29
Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure			14	-	-
Division of Sub-total A (or adjusted Sub-total A if appropriate)	Other than health insurance	Up to and including sterling equivalent of 10M ECU x 18/100	15	(1)	5
		Excess (if any) over 10M ECU x 16/100	16	-	-
	Health insurance	Up to and including sterling equivalent of 10M ECU x 6/100	17	-	-
		Excess (if any) over 10M ECU x 16/300	18	-	-
Sub-total B (15+16+17+18)			19	(1)	5
Claims paid			21	708	1432
Claims outstanding carried forward at the end of the financial year	For business accounted for on an underwriting year basis		22	65	196
	For business accounted for on an accident year basis		23	113	820
Claims outstanding brought forward at the beginning of the financial year	For business accounted for on an underwriting year basis		24	196	252
	For business accounted for on an accident year basis		25	820	2101
Sub-total C (21+22+23-(24+25))			29	(130)	95
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			30	(95)	1112
Sub-total D (29-30)			39	(35)	(1017)
First result Sub-total B x Sub-total D (or, if ½ is a greater fraction, x ½) Sub-total C			41	-	(508)

## General business : Calculation of required margin of solvency - second method, and statement of required minimum margin

Name of company ODYSSEY INSURANCE COMPANY LIMITED

Global business/UK branch business/EEA branch business

Financial year ended 31st December 1996

B. SWIFT CHIEF EXECUTIVE DIRECTOR

J. IRVIN DIRECTOR

C. WALLS DIRECTOR

		Company registration number	GL/UK/CM	Period ended			Units	
				day	month	year		
		R12	F 10368	GL	31	12	96	£000
		This financial year		Previous year		Source		
		1		2		Form	Line	Column
Reference period (No. of financial years) Insert "0" if there is no reference period otherwise insert "3" or "7"		3	11			See instruction 1		
Claims paid in reference period		21	4340	6212				
Claims outstanding carried forward at the end of the reference period	For business accounted for on an underwriting year basis	22	65	196				
	For business accounted for on an accident year basis	23	113	820				
Claims outstanding brought forward at the beginning of reference period	For business accounted for on an underwriting year basis	24	189	189				
	For business accounted for on an accident year basis	25	2819	2819				
Sub-total E (21+22+23-(24+25))		29	1510	4220				
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)		31	503	1407				
Division of sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100	32	131	366			
		Excess (if any) over 7M ECU x 23/100	33	-	-			
	Health insurance	Up to and including sterling equivalent of 7M ECU x 26/300	34	-	-			
		Excess (if any) over 7M ECU x 23/300	35	-	-			
Sub-total G (32 to 35)		39	131	366				
Second result Sub-total G x Sub-total D (or, if 1/2 is a greater fraction, x 1/2)		41	65	183				

First result	42	-	(508)	11	41
Required margin of solvency (the higher of lines 41 and 42)	43	65	183		

Minimum guarantee fund	44	313	336		
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Required minimum margin (the higher of lines 43 and 44)	49	313	336		
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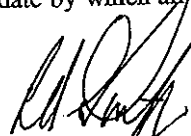
Returns under the Insurance Companies Act 1982 for the year ended 31 December 1996

Odyssey Insurance Company Limited

Statement required under Order dated July 1997 made under Section 68 of the Companies Act 1982

SECTION A.		Unfunded Business		Funded Business		Total	
	Class	No	Amount £000s	No	Amount £000s	No	Amount £000s
i. Number of claims notified but not paid and amount of estimated gross liability at the beginning of the financial year:	4 (ships)	9	795	1	140	10	935
	5 (GIT)	-	-	-	-	-	-
	<u>Total</u>	9	795	1	140	10	935
ii. Number of new claims notified during the financial year and amount of estimated gross liability:	4 (ships)	4	154	82	8	86	162
	5 (GIT)	-	-	-	-	-	-
	<u>Total</u>	4	154	82	8	86	162
iii. Number and gross amount of claims paid during the financial year:	4 (ships)	8	582	83	126	91	708
	5 (GIT)	-	-	-	-	-	-
	<u>Total</u>	8	582	83	126	91	708
iv. Number of claims notified but not paid and amount of estimated gross liability at the end of the financial year:	4 (ships)	1	48	-	-	1	48
	5 (GIT)	-	-	-	-	-	-
	<u>Total</u>	1	48	-	-	1	48
v. Amount of estimated gross liability at the end of the financial year in respect of claims incurred but not reported:	4 (ships)	N/A	65	N/A	65	N/A	130
	5 (GIT)	N/A	-	N/A	-	N/A	-
	<u>Total</u>	N/A	65	N/A	65	N/A	130
vi. Amounts expected to be recovered under reinsurance agreements at the end of the financial year in respect of liabilities included in paragraphs 4 and 5 above:	4 (ships)	N/A	48	N/A	-	N/A	48
	5 (GIT)	N/A	-	N/A	-	N/A	-
	<u>Total</u>	N/A	48	N/A	-	N/A	48

SECTION B. Estimated date by which all insurance liabilities will be discharged: 31.12.98

  
R.B. SWIFT  
CHIEF EXECUTIVE DIRECTOR

  
P.J. IRVIN  
DIRECTOR

  
K.C. WALLS  
DIRECTOR


## ODYSSEY INSURANCE COMPANY LIMITED

Directors' certificate in respect of the annual return to the Department of Trade and Industry under the Insurance Companies Act 1982 for the financial year ended 31 December 1996.

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We certify that :-

- (i) For the purposes of preparing the return
  - (a) proper accounting records have been maintained and adequate information has been obtained by the Company; and
  - (b) an appropriate system of control has been established and maintained by the Company over its transactions and records.
- (ii) the amount of the Company's required minimum margin (as shown at line 49 of Form 12 of the 1996 Regulations which has been prepared in accordance with those regulations) immediately following the end of the financial year was £313,000.
- (iii) in relation to the general business carried on by the Company, the amount by which in the opinion of those signing the certificate, the total value of the Company's admissible assets exceeded the total amount of the Company's liabilities (including contingent and prospective liabilities) at the end of the financial year was £1,137,000.
- (iv) in determining the amounts shown in the certificate in accordance with paragraph ii and ii above
  - (a) the value of each category of asset has been determined in conformity with Regulation 4 of 1996 Regulations and includes the value of only such assets or such parts thereof as are permitted to be taken into account;
  - (b) the amounts of each category of liability (including contingent and prospective liabilities) has been determined in conformity with Regulation 4 of 1996 Regulations
- (v) in respect of the Company's business which is not excluded by Regulation 32 of the 1994 Regulations, the assets held at the end of the financial year enabled the Company to comply with Regulations 27 and 31 (matching and localisation) of those Regulations.



P J IRVIN  
Director



R B SWIFT  
Chief Executive Director



K C WALLS  
Director

## ODYSSEY INSURANCE COMPANY LIMITED

In addition to the documents required by Section 17(1) of the Insurance Act 1982, the following note is included :-

"Note

The Secretary of State, with the consent of the Company, issued to the Company in July 1997 an Order under Section 68 of the Insurance Companies Act 1982 directing that the Company need not maintain the minimum guarantee fund as required under Regulation 22(2) of the Insurance Companies Regulations 1994; and that the Company's returns under the Act shall comprise a profit and loss account and balance sheet in the form required in Section 255 of the companies Act 1985, Forms 11 and 12 from the Insurance Companies (Accounts and Statements) Regulations 1996, a statement and a certificate, and an auditors' report."

*Price Waterhouse*



**REPORT OF THE AUDITORS TO THE SECRETARY OF STATE FOR TRADE & INDUSTRY PURSUANT TO REGULATION 27 OF THE INSURANCE COMPANIES (ACCOUNTS AND STATEMENTS) REGULATIONS 1996**

**ODYSSEY INSURANCE COMPANY LIMITED**

**FINANCIAL YEAR ENDED 31 DECEMBER 1996**

We have audited the documents prepared by the company pursuant to section 17 of the Insurance Companies Act 1982 ("the Act") which are required to be audited by Regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996 ("the Regulations") as modified by the Order issued by the Secretary of State on 16 July 1997 ("the Order"). These comprise Forms 11 and 12, the statement and certificate furnished in accordance with the Order signed in accordance with Regulation 28(a). In the case of the certificate, our audit did not extend to paragraph 1 in relation to the statements required by the Order.

**RESPECTIVE RESPONSIBILITIES OF THE COMPANY AND ITS AUDITORS**

The company is responsible for the preparation of returns under the provisions of the Act and the Regulations as modified by the Order issued by the Secretary of State. It is our responsibility to form an independent opinion, based on our audit, on those parts of the returns which are subject to audit by virtue of Regulation 29 and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the documents specified by Regulation 29. It also includes an assessment of the significant estimates and judgements made by the company in the preparation of the documents specified by Regulation 29.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the documents specified by Regulation 29 are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated whether the documents have been prepared in the manner specified by the Regulations, as modified, and fairly stated the information provided on the basis required.



## OPINION

In our opinion:

- (a) the Forms and statement have been properly prepared in accordance with the provisions of the Regulations, as modified, and
- (b) according to the information and explanations received by us:
  - (i) the certificate has been properly prepared in accordance with the provisions of the Regulations; and
  - (ii) it was reasonable for the persons giving the certificate to have made the statements therein.

  
Price Waterhouse  
Chartered Accountants and Registered Auditors  
22 September 1997

  
York House  
York Street  
Manchester  
M2 4WS