

Important information about Syndicate Reports and Accounts

Access to this document is restricted to persons who have given the certification set forth below. If this document has been forwarded to you and you have not been asked to give the certification, please be aware that you are only permitted to access it if you are able to give the certification.

The syndicate reports and accounts set forth in this section of the Lloyd's website, which have been filed with Lloyd's in accordance with the Syndicate Accounting Byelaw (No. 8 of 2005), are being provided for informational purposes only. The syndicate reports and accounts have not been prepared by Lloyd's, and Lloyd's has no responsibility for their accuracy or content. Access to the syndicate reports and accounts is not being provided for the purposes of soliciting membership in Lloyd's or membership on any syndicate of Lloyd's, and no offer to join Lloyd's or any syndicate is being made hereby. Members of Lloyd's are reminded that past performance of a syndicate in any syndicate year is not predictive of the related syndicate's performance in any subsequent syndicate year.

You acknowledge and agree to the foregoing as a condition of your accessing the syndicate reports and accounts. You also agree that you will not provide any person with a copy of any syndicate report and accounts without also providing them with a copy of this acknowledgment and agreement, by which they will also be bound.



**Amlin Underwriting Limited
Syndicate 6106**

2012 Underwriting Year Accounts





Contents

Directors and administration	2
Report of the directors of the managing agent	3
Independent auditors' report	4
2012 underwriting account	5
Balance sheet	6
Notes to the financial statements	7
Seven year summary	10
Advisers	11

Directors and administration

Managing agent Amlin Underwriting Limited

Directors

S C W Beale
Non-executive

G A M Bonvarlet
Independent non-executive

T A Bowles

N J C Buchanan
Independent chairman

M R Clements

A J Golding
Finance Director

E C Graham

D G Peters

A P Springett
Chief Executive Officer

M J Taffs

D Thornton
Independent non-executive

D G Turner

Company Secretary

Z M P Kubiak

Managing agent's registered office

St Helen's
1 Undershaft
London EC3A 8ND

Managing agent's registered number

2323018

Report of the directors of the managing agent

The directors of the managing agent ("the Company") present their report for Syndicate 6106 ("the Syndicate") as at 31 December 2014.

The report comprises the cumulative result to 31 December 2014 for the closed 2012 account of Syndicate 6106.

The Syndicate underwriting year accounts have been prepared under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the 2008 Regulations"), in accordance with the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005) and applicable accounting standards in the United Kingdom.

1. Strategic report

Principal activity and review of the business

The principal activity of Syndicate 6106 is the transaction of reinsurance business in the United Kingdom. The Syndicate was first established for the 2009 underwriting year to write a 15% proportional treaty reinsurance contract covering Syndicate 2001. For the 2012 underwriting year the quota share percentage was reduced to 10% to keep premiums within the Syndicate's capacity. The contract covers the following excess of loss classes: marine, aviation, property catastrophe, property per risk and terrorism.

The total premium income capacity for the 2012 year of account was £35.2 million.

The 2012 year of account has closed by means of commutation with Syndicate 2001.

Review of the 2012 closed year of account

The 2012 account has closed with a profit of £16.5 million (46.9%) on a capacity of £35.2 million after taking account of operating expenses, foreign exchange and investment income.

The Syndicate wrote £34.9 million of gross premiums utilising 99% of capacity. Claims incurred amounted to £16.7 million. The largest individual loss event being Superstorm Sandy in October 2012 which cost the Syndicate £7.4 million. Despite the Superstorm, 2012 was a year of low catastrophe events and the loss ratio of 48% was the principal reason for the excellent result.

Review of the open year

The 2013 account has been impacted by the Geismar chemical facility explosion, Calgary floods and European floods. We have set the forecast profit range at 34% to 39% of capacity.

Future developments

Syndicate 6106's expected underwriting capacity for the 2015 underwriting year is £Nil (2014: £Nil).

2. Directors' report

Directors

Each director at the date of the approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Syndicate's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Syndicate's auditors are aware of that information.

The current directors of the managing agent are shown on page 2. Since 1 January 2014, the following changes to the Board of Directors have occurred:

Name	Date of appointment
M R Clements	2 December 2014
M J Taffs	2 December 2014
D G Peters	9 December 2014

Name	Date of resignation
B D Carpenter	31 January 2014
K Allchorne	31 December 2014
J le T Illingworth	31 December 2014
S R McMurray	31 December 2014
D F Overall	18 February 2015

Independent auditors

In accordance with the Syndicate Meetings (Amendment No. 1) Byelaw (No. 18 of 2000) the managing agent does not propose holding a Syndicate annual meeting this year; objections to this proposal or the intention to reappoint the auditors for a further 12 months can be made by Syndicate members in writing to the Company Secretary within 21 days of this notice.

3. Statement of managing agents' responsibilities

The managing agent is responsible for preparing the Syndicate underwriting year accounts in accordance with applicable law and regulations.

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the 2008 Regulations") require the managing agent to prepare Syndicate underwriting year accounts at 31 December in respect of any underwriting year which is being closed at the end of the financial year which give a true and fair view of the result of the underwriting year at closure. Detailed requirements in respect of the underwriting year accounts are set out in the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005).

In preparing the Syndicate underwriting year accounts, Amlin Underwriting Limited is required to:

- select suitable accounting policies which are applied consistently and, where there are items which affect more than one year of account, ensure a treatment which is equitable as between the members of the Syndicate affected;
- make judgements and estimates that are reasonable and prudent; and
- follow applicable UK accounting standards, subject to any material departures disclosed and explained in the annual report.

Amlin Underwriting Limited is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Syndicate and enable it to ensure that the Syndicate underwriting year accounts comply with the 2008 Regulations. It is also responsible for the system of internal control, for safeguarding the assets of the Syndicate and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

By order of the Board

A P Springett
Chief Executive Officer

24 February 2015

Independent auditors' report

to the members of Syndicate 6106 – 2012 closed year of account

Report on the syndicate underwriting year accounts

Our Opinion

In our opinion the syndicate underwriting year accounts, defined below:

- give a true and fair view of the state of the syndicate's affairs for the 2012 closed year of account and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and have been properly prepared in accordance with the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005).

What we have audited

The syndicate underwriting year accounts for the 2012 year of account of Syndicate 6106 for the three years ended 31 December 2014, which are prepared by the Managing Agent, comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss account for the year then ended; and
- the notes to the syndicate underwriting year accounts which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Managing Agent has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception Under the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005) we are required to report to you if, in our opinion:

- the managing agent in respect of the syndicate has not kept proper accounting records; or
- the syndicate underwriting year accounts are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Responsibilities for the syndicate underwriting year accounts and the audit

Our responsibilities and those of the Managing Agent

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 3, the Managing Agent is responsible for the preparation of the syndicate underwriting year accounts, under The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and in accordance with the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005), and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the syndicate underwriting year accounts in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the syndicate's members as a body in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of syndicate underwriting year accounts involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the syndicate underwriting year accounts sufficient to give reasonable assurance that the syndicate underwriting year accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the syndicate's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Managing Agent; and
- the overall presentation of the syndicate underwriting year accounts.

We primarily focus our work in these areas by assessing the Managing Agent's judgements against available evidence, forming our own judgements, and evaluating disclosures in the syndicate underwriting accounts.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited syndicate underwriting year accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Nick Wilks (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 February 2015

2012 underwriting account

Closing at 31 December 2014

	Notes	At 36 months £'000
Technical account – general business		
Syndicate allocated capacity		35,172
Earned premiums, net of reinsurance		
Gross written premiums	2	34,896
Gross earned premiums		34,896
Allocated investment return transferred from the non-technical account	5	111
Total technical income		35,007
Gross claims incurred	3	(16,690)
Balance on the technical account before net operating expenses and loss on exchange		18,317
Net operating expenses	4	(1,830)
Balance on the technical account for general business	6	16,487

	Notes	At 36 months £'000
Non-technical account		
Balance on the general business technical account		16,487
Investment income	5	111
Allocated investment return transferred to general business technical account	5	(111)
Profit for the 2012 closed year of account	6	16,487

The notes to the financial statements form an integral part of these underwriting year accounts.

Balance sheet

2012 account at 31 December 2014

	Notes	2014 £'000
Debtors		
Debtors arising out of reinsurance operations	8	33,198
Prepayments and accrued income		
Accrued income		111
Total assets		33,309
Capital and reserves		
Amounts due to members	7	16,189
Technical provisions		
Commutation to close the 2012 account	3	16,822
Creditors		
Other creditors	9	298
Total liabilities		33,309

The notes to the financial statements form an integral part of these underwriting year accounts.

The financial statements on pages 5 to 10 were approved and authorised for issue by the Board of Directors of Amlin Underwriting Limited. They were signed on its behalf by:

A J Golding
Finance Director

24 February 2015

Notes to the financial statements

For the year ended 31 December 2014

1. Basis of preparation

These financial statements have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the Regulations"), the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005) and applicable Accounting Standards in the United Kingdom. The recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued in December 2006 by the Association of British Insurers have been adopted, except that exchange differences are dealt with in the technical account. In addition, as the Syndicate operates on a non-cash basis, no Statement of cash flows has been prepared.

Members participate on a Syndicate by reference to a year of account and each Syndicate year of account is a separate annual venture. These financial statements relate to the 2012 year of account which has been closed by commutation, in accordance with the original contract, as at 31 December 2014. Consequently, the balance sheet represents the assets and liabilities of the 2012 year of account at the date of closure and the profit and loss account reflects the transactions for that year of account during the three year period until closure. Accordingly, this is the only reporting period and so comparative amounts are not shown.

Accounting policies

The principal accounting policies are summarised below. They have been applied consistently from 1 January 2009 in dealing with items which are considered material in relation to the Syndicate underwriting year accounts.

The underwriting accounts for each year of account are normally kept open for three years before the result on that year is determined. At the end of the three year period, outstanding liabilities can normally be determined with sufficient accuracy to permit the year of account to be closed by payment of a reinsurance to close premium or by commutation.

Insurance contracts premiums

Gross written premiums comprise premiums on insurance contracts allocated to the year of account. The estimated premium income in respect of facility contracts is deemed to be written in full at the inception of the contract. Premiums are disclosed before the deduction of overriding commission. Estimates are included for premiums receivable after the period end but not yet notified.

Premiums written are treated as fully earned.

Acquisition costs comprise overriding commission incurred on insurance contracts written during the financial year.

Profit commission related to the reinsured contract is accrued based on the ultimate return and incorporated within net operating expenses.

Insurance contracts liabilities: claims

6106 is a cashless syndicate with claims settlement initially being funded by the host syndicate and subsequently being settled on closure of the contract.

Commutation to close the 2012 account

The net commutation to close the 2012 account is determined on the basis of estimated outstanding liabilities and related claims settlement costs including claims incurred but not reported (IBNR), relating to the closed year of account.

The provision for outstanding claims is assessed on an individual case basis and is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date.

The commutation also includes the estimated costs of claims incurred but not reported at the balance sheet date based on statistical methods.

In calculating the estimated cost of unpaid claims a variety of estimation techniques are used by management, generally based upon statistical analyses of historical experience, which assumes that the development

pattern of the current claims will be consistent with past experience. Allowance is made for changes or uncertainties which may create distortions in the underlying statistics or which may cause the cost of unsettled claims to vary when compared with the cost of previously settled claims.

Where appropriate, large claims are assessed separately, being measured on a case by case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims.

The directors consider that the estimates of gross claims are fairly stated on the basis of information currently available to them.

The commutation contract ends the liability in respect of all claims and other payments in respect of the closing 2012 year of account for Syndicate 6106.

Investment return

The investment return is calculated based on the net underwriting cash flow of the reinsured business, taking account of the timing of cash received based on the experience recorded for the reinsured business in Syndicate 2001. The monthly investment return percentage received by Syndicate 2001 on the cash and cash equivalent funds is then applied to the cash flow to calculate an investment return for the Syndicate.

All of the investment return arising in the year is reported initially in the non-technical account. A transfer is then made from the non-technical account to the technical account.

Taxation

No provision has been made in respect of UK income tax on trading income. It is the responsibility of members to settle their tax liabilities.

Overseas taxation comprises US Federal Income tax and Canadian Federal Income tax. The amounts charged to members are collected centrally through Lloyd's Members' Services Unit as part of the members' distribution process. The ultimate tax liability is the responsibility of each individual underwriting member.

Foreign currencies

The Syndicate transacts business in four separate currencies, namely Sterling, US dollars, Euros and Canadian dollars.

Income and expenditure in US dollars, Euros and Canadian dollars is translated at monthly average rates of exchange. Transactions denominated in other foreign currencies are translated using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities expressed in US dollars, Euros and Canadian dollars are translated into Sterling at the rates of exchange at the balance sheet date. Non-monetary assets and liabilities are translated at the monthly average rate prevailing in the period in which the asset or liability first arose.

Assets and liabilities expressed in other foreign currencies have been translated at the rates of exchange at the balance sheet date.

Differences arising on translation of foreign currency amounts in the Syndicate are included in net operating expenses.

Insurance debtors and creditors

Insurance debtors and creditors represent balances outstanding with Syndicate 2001.

Syndicate operating expenses

Syndicate operating expenses comprise acquisition costs (being a 5% overriding commission on the gross net premium income due to Syndicate 2001), profit commission due to Syndicate 2001 under the terms of the contract and differences arising from translation of foreign currency amounts.

Notes to the financial statements continued

For the year ended 31 December 2014

2. Segmental analysis

An analysis of the underwriting result before investment return and net technical provisions is set out below:

2012	Gross written premiums £'000	Gross earned premiums £'000	Gross claims incurred £'000	Net operating expenses £'000	Reinsurance balance £'000	Total £'000	Net technical provisions £'000
Reinsurance	34,896	34,896	(16,690)	(1,830)	–	16,376	16,822
Total	34,896	34,896	(16,690)	(1,830)	–	16,376	16,822

Overriding commissions paid on gross premiums earned for the 2012 account were £1,745,000.

All premiums are written in the UK.

The geographical analysis of premiums by location of client, as a proxy risk location, is as follows:

	At 36 months £'000
UK	3,765
Other EU countries	1,813
USA	19,900
Australia	1,946
Japan	2,395
Other	5,077
Total	34,896

3. Commutation to close the 2012 account

	Gross claims incurred £'000	Exchange to closing rate £'000	Closing commutation £'000
Gross notified outstanding claims	15,290	132	15,422
Provision for gross claims incurred but not reported (IBNR)	1,400	–	1,400
Commutation to close the 2012 account	16,690	132	16,822

4. Net operating expenses

The cumulative expenses charged in the 2012 underwriting account were made up as follows:

	At 36 months £'000
Acquisition costs	1,745
Loss on exchange	85
	1,830

Acquisition costs are overriding commissions paid to Syndicate 2001 for the administrative services provided to the Syndicate.

Audit fees of £5,500 have been borne by Syndicate 2001.

No profit commission is payable to Syndicate 2001 as, under the terms of the contract, the remaining loss from the 2010 year of account profit commission statement has been carried forward to the 2012 year of account profit commission statement.

5. Investment return

	At 36 months £'000
Interest on balances due from Syndicate 2001	111

Investment return for the 2012 year of account is recognised in the 2012, 2013 and 2014 calendar years. The investment income and yield for these calendar years is disclosed in the investment return notes in each of the respective Syndicate annual accounts.

6. Balance on technical account

	At 36 months £'000
Technical account balance before net operating expenses and allocated investment return	18,206
Acquisition costs	(1,745)
	16,461
Net operating expenses other than acquisition costs	(85)
Allocated investment return transferred from the non-technical account	111
Balance on technical account	16,487

7. Amounts due to members

	At 36 months £'000
Profit for the 2012 closing year of account	16,487
Members' agent fees advances	(298)
	16,189

Members participate on syndicates by reference to years of account and their ultimate result. Assets and liabilities are assessed with reference to policies incepting in that year of account in respect of their membership of a particular year.

8. Debtors arising out of reinsurance operations

	2014 £'000
Due from Syndicate 2001	33,198

9. Other creditors

	2014 £'000
Members' agent fees advances funded by Syndicate 2001	298

10. Related parties

Amlin Underwriting Limited (AUL)

AUL acts as the managing agent of Syndicate 2001. AUL's ultimate parent company and controlling party is Amlin plc, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of Amlin plc are available to the public and may be obtained from the Company Secretary at St Helen's, 1 Undershaft, London EC3A 8ND.

Certain directors of the managing agent are also directors of other companies, which may, and in some cases do, conduct business with Syndicate 2001. None of this business is subsequently reinsured into Syndicate 6106. In all cases transactions between the Syndicate and Syndicate 2001 are carried out on normal arm's length commercial terms without any involvement by the director concerned on either side of the transaction.

Syndicate 2001

AUL also acts as the managing agent of Syndicate 2001, the entity which the Syndicate reinsures. Syndicate 2001 has accepted the commutation to close the 2012 account of the Syndicate. Transactions between the Syndicate and Syndicate 2001 are disclosed where applicable within these financial statements.

Seven year summary (unaudited)

At 31 December 2014

Year of account	2012	2011	2010	2009
Syndicate allocated capacity in £000	35,172	42,906	49,825	49,884
Number of underwriting members	1,314	1,416	1,473	1,500
Gross premiums in £000	34,896	42,906	45,694	44,081
Capacity utilised	99%	100%	92%	88%
Underwriting ratio	52%	24%	-37%	69%

Results for an illustrative share of £10,000

Gross premiums	9,921	10,000	9,171	8,837
Net premiums	9,921	10,000	9,171	8,837
Reinsurance to close from an earlier account	-	-	-	-
Net claims paid	-	-	-	-
Net claims incurred	(4,745)	(7,556)	(12,538)	(2,734)
Underwriting profit/(loss)	5,176	2,444	(3,367)	6,103
(Loss)/profit on exchange	(24)	(55)	(278)	13
Syndicate operating expenses	(496)	(500)	(459)	(1,499)
Names personal expenses	-	-	-	-
Balance on technical account before investment return	4,656	1,889	(4,104)	4,617
Investment return	31	30	10	51
Profit/(loss) after personal expenses	4,687	1,919	(4,094)	4,668

Notes to the seven year summary

1. The seven year summary has been prepared from the audited accounts of the Syndicate. Only four years are shown in this summary, as the Syndicate commenced underwriting in 2009.
2. 'Capacity utilised' represents gross premiums as a percentage of the allocated capacity.
3. 'Underwriting ratio' represents underwriting result as a percentage of gross premium.

Advisers

Independent syndicate auditor
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Corporate solicitors
Linklaters LLP
1 Silk Street
London EC2Y 8HQ

