

**TO ALL KNOWN POLICYHOLDERS, CEDANTS, BROKERS, INTERMEDIARIES AND AGENTS
WHO HAVE PLACED BUSINESS WITH HIGHLANDS INSURANCE COMPANY (U.K.) LIMITED
(IN ADMINISTRATION)**

27 May 2010

Our ref: PC3.321G/TP/HUK/270510

Dear Sir or Madam,

Highlands Insurance Company (U.K.) Limited – In Administration

I have pleasure in enclosing a copy of my report for the period 1 November 2009 to 30 April 2010 on the progress of the Administration together with a copy of Form 2.24B pursuant to Rule 2.47 of the Insolvency Rules 1986.

Yours faithfully
For and on behalf of
Highlands Insurance Company (U.K.) Limited (in Administration)



DY Schwarzmann
Joint Administrator

Enclosures

Dan Schwarzmann and Mark Batten were appointed as Joint Administrators of Highlands Insurance Company (U.K.) Limited to manage its affairs, business and property as its agents. As such they contract without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.