

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

28 May 2009

Our ref: PC3.322C/RW/HUK/280509

Dear Sir or Madam,

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

I have pleasure in enclosing a copy of my report 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 have been 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. Dan Schwarzmann and Mark Batten are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.