

1 May 2009

THIS LETTER AND THE DOCUMENTS TO WHICH IT REFERS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

Dear Sir/Madam

Proposed Scheme of Arrangement under Part 26 of the Companies Act 2006 (the "Scheme") between Highlands Insurance Company (U.K.) Limited (in Administration) (the "Company") and its "Scheme Creditors" (as defined in the Scheme)

Our records indicate that you are or may be a Scheme Creditor or a broker for a Scheme Creditor for the purposes of the above-mentioned Scheme. We accordingly draw your attention to the following documents which are enclosed:

1. Letter Constituting Short Form Explanatory Statement;
2. Notice of Scheme Creditors' Meeting;
3. Form of Proxy for Voting Purposes and Instructions for the completion of the Form of Proxy;
4. Claims Table for Voting Purposes and Instructions for the completion of the Claims Table;
5. Map indicating the location of the Scheme Creditors' Meeting.

Further information and copy documents (including the full text of the Scheme) may be obtained by contacting either the Administrators or PRO Insurance Solutions Limited, the run-off managers of the Company, using the contact details overleaf or by visiting the Company's website at www.ukhighlands.co.uk.

Yours faithfully,

For and on behalf of

Highlands Insurance Company (U.K.) Limited (in Administration)



Dan 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. Dan Schwarzmann and Mark Batten are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

Highlands Insurance Company (U.K.) Limited (in Administration)

Contact details

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