

The Meadows Indemnity Company Limited

PO Box 33
Maison Trinity
St. Peter Port
Guernsey
GY1 4AT

27 July 2009

Dear Sirs

Solvent scheme of arrangement pursuant to Part 26 of the Companies Act 2006

We are writing to you in connection with the solvent scheme of arrangement (the “**Scheme**”) between The Meadows Indemnity Company Limited (the “**Company**”) and its Scheme Creditors (as defined in the Scheme). We are sending you this letter either because we believe you, as a relevant policyholder of the Company, may be affected by the Scheme or because we believe you are a broker who placed relevant business with the Company. Brokers are kindly requested to forward this letter to such of their clients as they believe may be affected by the Scheme.

The Scheme was approved by Scheme Creditors at the Meetings of Scheme Creditors held on 27 May 2009 and was sanctioned by the High Court of Justice of England and Wales on 20 July 2009.

The order sanctioning the Scheme was delivered for registration to the Registrar of Companies on 20 July 2009, and this is the Effective Date for the purposes of the Scheme. Accordingly, the Final Claims Submission Date, by when all Scheme Creditors must submit their Claims to the Company in a Claim Form in accordance with the Scheme, is 23.59pm (London time) on 18 January 2010.

Terms which have been defined in clause 1 of the Scheme have the same meaning when used in this letter.

Completion of Claim Forms

Enclosed with this letter you will find a Claim Form for use in submitting Claims in the Scheme.

In completing the Claim Form you are required to present your Claims by reference to each Insurance Contract under which they arise, dividing them into Notified Outstanding Claims and IBNR Claims, and providing such details as you may have of the broker who placed the relevant business. You must provide evidence with your Claim Form to support the reasonableness of your Claims in accordance with the instructions contained in the Estimation Guidelines at Appendix 1 to the Scheme, and you must state the specific amount of each Notified Outstanding Claim and/or IBNR Claim, valued as at the Ascertainment Date (31 December 2007).

Your insurance broker or other intermediary may be able to provide information concerning Insurance Contracts under which you may have a Claim against the Company. If you are unable to identify contract information from your own records or from your broker or other intermediary, the Company may be able to assist. Please contact the Company at the address given below, or call the helpline on +44 (0) 20 7264 0807.

You should consult your own legal adviser as to the consequences for you, in the context of any litigation in which you may be, or may become involved, of forming particulars of your Claims for the purposes of the Scheme.

Please ensure that you address all parts of the Claim Form, indicating those parts that are not relevant to you, and providing all the relevant supporting evidence required by the instructions for completion of the Claim Form and Clause 10 of the Scheme.

Return of Claim Forms

When complete, the Claim Form and all supporting information should be returned to the Company marked for the attention of Philip Grant at Ambant Limited ("**Ambant**"), at the address below, to be received by 23.59pm (London time) on Monday 18 January 2010, being the Final Claims Submission Date.

Please note that Claims that are not included on a Claim Form duly completed by you and received by the Company c/o Ambant by the Final Claims Submission Date will be deemed to have been satisfied in full and you will not be entitled to receive any payment in respect of such Claims.

Further Information

The Company has appointed Ambant as Scheme Adviser in order to assist the Company with implementation of the Scheme. If you have any questions concerning the completion of the Claim Form please contact Philip Grant of Ambant at:

Ambant Limited
Lloyd's Avenue House
6 Lloyd's Avenue
London
EC3N 3ES

Fax: +44 (0) 20 7264 0801

Tel: +44 (0) 20 7264 0807

Email: meadowsenquiries@ambant.com

Ambant will respond to questions on behalf of the Company as quickly as possible.

Please read this letter, the instructions for completion of the Claim Form and the Scheme Document carefully. If you are in any doubt of the action you should take, please consult your insurance broker or other professional adviser without delay.

Yours faithfully



David K Morgan
For and on behalf of
The Meadows Indemnity Company Limited