

## LETTER TO CREDITOR A

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006. 70 entities submitted IBNR Claims for voting purposes in respect of the same policies (the *Policies*). In aggregate, those IBNR Claims were valued for voting purposes at £3,075,971,225. The chairman of the creditors’ meeting has been unable to conclude on the basis of the information available to him whether each of the 70 entities is an insured under the Policies, but in the absence of information either way, he intends to allow each entity to vote.

The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Given that the claims in respect of the Policies are significantly in excess of the IBNR reserves the Company is carrying for the Policies, the Company decided to refer the claims to the Scheme Actuary (Mr. George Maher of Tillinghast) for his consideration.

As part of his assessment process, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written;
- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model;
- and finally, to consider whether there are circumstances that mean that a particular policy would have higher or lower IBNR than the model indicates.

Having finished his assessment process, Mr Maher concluded that the best estimate of total IBNR Claims under the Policies, on the basis of all the data currently available to him, was £17,623.

As part of his work, Mr. Maher has discussed his conclusions in relation to your voting forms with Mr. McMahon, the chairman of the creditors' meeting. In the light of these discussions, Mr. McMahon has concluded that 70 votes with an aggregate value of £17,623 should be admitted for voting purposes since it represents a fair and reasonable valuation of the IBNR Claims under the Policies.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to the 70 entities claiming under the Policies as Creditor A, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR B

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006. 17 entities submitted IBNR Claims for voting purposes in respect of the same policies (the *Policies*). In aggregate, those IBNR Claims were valued for voting purposes at £22,414,985. The chairman of the creditors’ meeting has been unable to conclude on the basis of the information available to him whether each of the 17 entities is an insured under the Policies, but in the absence of information either way, he intends to allow each entity to vote.

The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Given that the claims in respect of the Policies are significantly in excess of the IBNR reserves the Company is carrying for the Policies, the Company decided to refer your claims to the Scheme Actuary (Mr. George Maher of Tillinghast) for his consideration.

As part of his assessment process, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written;
- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model;
- and finally, to consider whether there are circumstances that mean that a particular policy would have higher or lower IBNR than the model indicates.

Having finished his assessment process, Mr Maher concluded that the best estimate of total IBNR Claims under the Policies, on the basis of all the data currently available to him, was £1,137.

As part of his work, Mr. Maher has discussed his conclusions in relation to your voting forms with Mr. McMahon, the chairman of the creditors' meeting. In the light of these discussions, Mr. McMahon has concluded that 17 votes with an aggregate value of £1,137 should be admitted for voting purposes since that represents a fair and reasonable valuation of the IBNR Claims under the Policies.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to the 17 entities claiming under the Policies as Creditor B, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR C

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Notified Outstanding Claims for voting of £7,276,916.

Under the policy to which your claim relates, the Company is only liable for insured losses excess of £7.7 million. The market reserve in respect of your claim is only £4.6 million and the chairman of the creditors’ meeting does not consider that it is likely the Company will have any liability to you in respect of your claim. However, he intends to admit your Notified Outstanding Claims for voting purposes for a nominal value of £1. He considers that this is a fair and reasonable valuation.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman’s report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor C, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton  
Chairman

## LETTER TO CREDITOR D

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted IBNR Claims valued for voting purposes at £5 million. The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Given that your claim is significantly in excess of the IBNR reserves the Company is carrying for the policies in question, the Company decided to refer your claim to the Scheme Actuary (Mr. George Maher of Tillinghast) for his consideration.

As part of his assessment process, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written;
- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model;
- and finally, to consider whether there are circumstances that mean that a particular policy would have higher or lower IBNR than the model indicates.

Having finished his assessment process, Mr Maher concluded that the best estimate of IBNR Claims under your policies, on the basis of all the data currently available to him, was £55,552.

As part of his work, Mr. Maher has discussed his conclusions in relation to your voting forms with Mr. McMahon, the chairman of the creditors’ meeting. In the light of these discussions, Mr. McMahon has concluded that the sum of £55,552 should be

admitted for voting purposes since it represents a fair and reasonable valuation of your IBNR Claims.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor D, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR E

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Notified Outstanding Claims and IBNR Claims, valued for voting purposes at £981,181 and £863,294 respectively. Your voting form also included a £3,104 refund due to the Company.

Some of the sums you have submitted for voting purposes relate to policy number V/500144/01, which the Company has excluded from the Scheme. Your claims in respect of this policy cannot be admitted for voting purposes.

Excluding these claims (valued at £886,222), the chairman of the creditors’ meeting accepts your figure for Notified Outstanding Claims and he has admitted £94,959 as the value of your Notified Outstanding Claims for voting purposes.

The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Your claim is significantly in excess of the IBNR reserves the Company is carrying for the policies in question. To determine these reserves, the Company has employed an actuarial model prepared by the Scheme Actuary (Mr. George Maher of Tillinghast).

In preparing the actuarial model, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written; and
- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model.

Mr Maher's model indicates that the best estimate of IBNR Claims under your policies, excluding policy V/500144/01, is nil.

The Company has discussed the model result in relation to your voting forms with Mr. McMahon, the chairman of the creditors' meeting. In the light of these discussions, Mr. McMahon has concluded that no value should be admitted for voting purposes, since that represents a fair and reasonable valuation of your IBNR Claims. Accordingly, the total value of your vote will be £91,855 (being £94,959 less £3,104 due to the Company by way of refund).

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company. Claims under policy V/500144/01 will not be affected by the Scheme and will continue to be handled in the usual manner.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor E, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR F

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted IBNR Claims valued for voting purposes at £1,137,517. The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Given that your claim is significantly in excess of the IBNR reserves the Company is carrying for the policies in question, the Company decided to refer your claim to the Scheme Actuary (Mr. George Maher of Tillinghast) for his consideration.

As part of his assessment process, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written;
- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model;
- and finally, to consider whether there are circumstances that mean that a particular policy would have higher or lower IBNR than the model indicates.

Having finished his assessment process, Mr Maher concluded that the best estimate of IBNR Claims under your policies, on the basis of all the data currently available to him, was £4,701.

As part of his work, Mr. Maher has discussed his conclusions in relation to your voting forms with Mr. McMahon, the chairman of the creditors’ meeting. In the light of these discussions, Mr. McMahon has concluded that the sum of £4,701 should be

admitted for voting purposes since it represents a fair and reasonable valuation of your IBNR Claims.

Mr McMahon has also allowed an additional £197,546 in respect of Notified Outstanding Claims, although you did not submit any Notified Outstanding Claims on your voting form. The total value of your vote will therefore be £202,247.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor F, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR G

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Agreed Losses, Notified Outstanding Claims and IBNR Claims, valued for voting purposes at £253,387, £56,831 and £427,831 respectively. You also submitted set-off owed to the Company of £10,367 on your voting form. The chairman of the creditors’ meeting accepts your figure for Agreed Losses and Notified Outstanding Claims and he has admitted those sums as the value of your Agreed Losses and Notified Outstanding Claims for voting purposes.

The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Given that your claim is significantly in excess of the IBNR reserves the Company is carrying for the policies in question, the Company decided to refer your claim to the Scheme Actuary (Mr. George Maher of Tillinghast) for his consideration.

As part of his assessment process, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written;
- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model;
- and finally, to consider whether there are circumstances that mean that a particular policy would have higher or lower IBNR than the model indicates.

Having finished his assessment process, Mr Maher concluded that the best estimate of IBNR Claims under your policies, on the basis of all the data currently available to him, was £5,115.

As part of his work, Mr. Maher has discussed his conclusions in relation to your voting forms with Mr. McMahon, the chairman of the creditors' meeting. In the light of these discussions, Mr. McMahon has concluded that the sum of £5,115 should be admitted for voting purposes since it represents a fair and reasonable valuation of your IBNR Claims. Accordingly, the total value of your vote will be £304,976, after deduction of £10,357, being the applicable set-off according to the Company's records.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor G, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR H

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted IBNR Claims valued for voting purposes at £582,320.

The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Given that your claim is significantly in excess of the IBNR reserves the Company is carrying for the policies in question, the Company decided to refer your claim to the Scheme Actuary (Mr. George Maher of Tillinghast) for his consideration.

As part of his assessment process, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written;
- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model;
- and finally, to consider whether there are circumstances that mean that a particular policy would have higher or lower IBNR than the model indicates.

Having finished his assessment process, Mr Maher concluded that the best estimate of IBNR Claims under your policies, on the basis of all the data currently available to him, was £383.

As part of his work, Mr. Maher has discussed his conclusions in relation to your voting forms with Mr. McMahon, the chairman of the creditors’ meeting. In the light of these discussions, Mr. McMahon has concluded that the sum of £383 should be

admitted for voting purposes since it represents a fair and reasonable valuation of your IBNR Claims.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor H, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR I

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Notified Outstanding Claims for voting of £412,368 (being the Company’s share of £3.5 million, which is your valuation of your loss).

Under the policy to which your claim relates, the Company is only liable for insured losses excess of £5 million. As your valuation of the loss does not reach the excess point and because the Company holds a nil reserve in respect of this claim, the Company considers it unlikely it will have any liability to you in respect of your claim. The chairman of the creditors’ meeting has therefore admitted your Notified Outstanding Claims for voting purposes for a nominal value of £1. He considers that this is a fair and reasonable valuation.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman’s report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor I, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton  
Chairman

## LETTER TO CREDITOR J

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Notified Outstanding Claims for voting of £34,839,290. Under the policy to which your claim relates, the Company has no liability for the first £5 million of any loss and then a 2.82% share of the next £5 million, a 14.76% share of the following £10 million and a 12.46% share of the following £30 million, the remainder being borne by other insurers. Applying these percentages, the chairman of the creditors’ meeting has admitted your Notified Outstanding Claims for voting purposes for a value of £3,465,975. He considers that this is a fair and reasonable valuation.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company. You should also note that the Scheme process does not affect your ability to claim against other insurers in respect of your claim.

A copy of the chairman’s report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor J, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton  
Chairman

## LETTER TO CREDITOR K

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Notified Outstanding Claims for voting of £13,180,690.

This consisted of two claims:

- a) £4,467,251 in respect of your 1998 policy, however, under that policy the Company has only a 2.3603% share of liability excess of £1,564,686, i.e. £68,509; and
- b) £8,713,439 in respect of your 2000 policy, however, under that policy the Company has only a 2.159% share of £4,602,018, excess of £1,564,686, i.e. £99,358 (all figures are approximations to foreign currency amounts).

Accordingly, the chairman of the creditors’ meeting intends to admit your Notified Outstanding Claims for voting purposes for a value of £167,867 (being the Sterling value of the foreign currency amount calculated using the above percentages). He considers that this is a fair and reasonable valuation.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company. You should also note that the Scheme process does not affect your ability to claim against other insurers in respect of your claim.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor K, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton  
Chairman

## LETTER TO CREDITOR L

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Notified Outstanding Claims and IBNR Claims, valued for voting purposes at £10,253,413 and £673,989 respectively. You provided no evidence to support your Notified Outstanding Claims, and the Company is not aware of any such claims. The chairman of the creditors’ meeting will therefore admit no value in respect of your Notified Outstanding Claims, as he considers this a fair and reasonable valuation.

The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Given that your claim is significantly in excess of the IBNR reserves the Company is carrying for the policies in question, the Company decided to refer your claim to the Scheme Actuary (Mr. George Maher of Tillinghast) for his consideration.

As part of his assessment process, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written;
- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model;
- and finally, to consider whether there are circumstances that mean that a particular policy would have higher or lower IBNR than the model indicates.

Having finished his assessment process, Mr Maher concluded that the best estimate of IBNR Claims under your policies, on the basis of all the data currently available to him, was £1,904.

As part of his work, Mr. Maher has discussed his conclusions in relation to your voting forms with Mr. McMahan, the chairman of the creditors' meeting. In the light of these discussions, Mr. McMahan has concluded that the sum of £1,904 should be admitted for voting purposes since it represents a fair and reasonable valuation of your IBNR Claims.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor L, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR M

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Notified Outstanding Claims for voting of £6,375,557.

Following discussions with the Company, you have accepted that £540,477 is a fair and reasonable valuation of your claim. The chairman of the creditors’ meeting, Mr McMahon, also considers that this is a fair and reasonable valuation and has admitted this sum for voting purposes.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company. You should also note that the Scheme process does not affect your ability to claim against other insurers in respect of your claim.

A copy of the chairman’s report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor M, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton  
Chairman

## LETTER TO CREDITOR N

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Notified Outstanding Claims for voting of £2,264,624.

Under the policy to which your claim relates, the Company has only a 7.5% share of liability, the remainder being borne by other insurers. Accordingly, the chairman of the creditors’ meeting has admitted your Notified Outstanding Claims for voting purposes for a value of £169,847, being 7.5% of £2,264,624. He considers that this is a fair and reasonable valuation.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company. You should also note that the Scheme process does not affect your ability to claim against other insurers in respect of your claim.

A copy of the chairman’s report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In the report, the chairman has referred to you as Creditor N, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton  
Chairman

## LETTER TO CREDITOR O

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Agreed Losses valued for voting purposes at £1,514,452.

The Company has no record of any Agreed Losses, so the chairman of the creditors’ meeting has assumed that you are seeking to vote in respect of Notified Outstanding Claims. The value you have claimed differs from the claims reserves the Company is holding in respect of your Notified Outstanding Claims. The chairman of the creditors’ meeting accepts that you have £474,619 of Notified Outstanding Claims and he has admitted that sum as the value of your Notified Outstanding Claims for voting purposes.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman’s report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor O, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR P

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Agreed Losses valued for voting purposes at £1 million. The Company has no evidence of any Agreed Losses, so the chairman of the creditors’ meeting has assumed that you are seeking to vote in respect of IBNR Claims in the value of £1 million.

The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Given that your claim is significantly in excess of the IBNR reserves the Company is carrying for the policies in question, the Company decided to refer your claim to the Scheme Actuary (Mr. George Maher of Tillinghast) for his consideration.

As part of his assessment process, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written;
- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model;
- and finally, to consider whether there are circumstances that mean that a particular policy would have higher or lower IBNR than the model indicates.

Having finished his assessment process, Mr Maher concluded that the best estimate of IBNR Claims under your policies, on the basis of all the data currently available to

him, was £58,664. In particular, Mr Maher considered that the assumptions you had used in your estimation were overly pessimistic leading to too high an estimate.

As part of his work, Mr. Maher has discussed his conclusions in relation to your voting forms with Mr. McMahan, the chairman of the creditors' meeting. In the light of these discussions, Mr. McMahan has concluded that the sum of £58,664 should be admitted for voting purposes since it represents a fair and reasonable valuation of your IBNR Claims. Mr McMahan has also allowed an additional £1,277 in respect of Notified Outstanding Claims, although you did not submit any Notified Outstanding Claims on your voting form. Therefore, your total vote will be £59,941.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor P, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman

## LETTER TO CREDITOR Q

Dear Sirs

### **Solvent Scheme of Arrangement for Reliance National Insurance Company (Europe) Limited (“the Company”)**

I refer to your voting form and form of proxy for the creditors’ meeting on 2 February 2006, in which you submitted Agreed Losses, Notified Outstanding Claims and IBNR Claims valued for voting purposes at £24,190, £464,653 and £151,621, respectively.

Some of the sums you have submitted for voting purposes relate to policy number V/500144/01, which the Company has excluded from the Scheme. Your claims in respect of this policy cannot be admitted for voting purposes.

The values you have claimed in respect of Agreed Losses and Notified Outstanding Claims differ from the claims reserves the Company is holding in respect of your notified outstanding claims. The Company accepts £19,389 for Agreed Losses and £294,291 for Notified Outstanding Claims and the chairman of the creditors’ meeting has admitted those sums as the value of your Agreed Losses and Notified Outstanding Claims for voting purposes.

The voting form, which has been approved by the High Court for use at the creditors’ meeting, states that, for IBNR Claims, creditors must provide an explanation of their methodology. Your claim is significantly in excess of the IBNR reserves the Company is carrying for the policies in question. To determine these reserves, the Company has employed an actuarial model prepared by the Scheme Actuary (Mr. George Maher of Tillinghast).

In preparing the actuarial model, what Mr. Maher has done is:

- to produce a best estimate of all the Company’s IBNR in the various classes of business it has written; and

- then to allocate that IBNR to individual policies in that class, using an appropriate actuarial model.

Mr Maher's model indicates that the best estimate of IBNR Claims under your policies is £1,394.

The Company has discussed the model result in relation to your voting forms with Mr. McMahon, the chairman of the creditors' meeting. In the light of these discussions, Mr. McMahon has concluded that the sum of £1,394 should be admitted for voting purposes, since it represents a fair and reasonable valuation of your IBNR Claims. Therefore, the total value of your vote is £315,074.

The valuation of your claim for voting purposes in no way affects the amount that you will be able to claim under the Scheme and the valuation will not be binding on you or the Company. Claims under policy V/500144/01 will not be affected by the Scheme and will continue to be handled in the usual manner.

A copy of the chairman's report is enclosed. Appendices C and D to the report are not enclosed, but can be accessed on the Scheme website at <http://www.omniwhittington.com> or will be sent to you on request. In that report, the chairman has referred to you as Creditor Q, for reasons of confidentiality.

If you have any queries, please contact John Leppard on +44 20 7220 1851.

Yours faithfully

Richard Whatton

Chairman