

1 May 2009

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

ATTENTION BROKERS

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 broker for a Scheme Creditor for the purposes of the above-mentioned Scheme. We accordingly draw your attention to the attached letter in respect of the Scheme.

As a broker, we hereby strongly urge you to take immediate steps to notify all policyholders for whom you placed direct insurance business for the Company of the proposed Scheme and the action which they should take in respect of it, as set out in more detail in the letter constituting the Short Form Explanatory Statement enclosed herewith.

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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