

**PRACTICE STATEMENT LETTER**

Company Name  
Address Line 1  
Address Line 2  
Address Line 3  
Address Line 4  
Address Line 5

Our Ref:

28 August 2009

**FOR THE ATTENTION OF: CHIEF FINANCIAL OFFICER**

Dear Sirs

**PROPOSED SOLVENT SCHEME OF ARRANGEMENT FOR TOKIO MARINE  
EUROPE INSURANCE LIMITED ("TMEI") (FORMERLY KNOWN AS THE TOKIO  
MARINE & FIRE INSURANCE COMPANY (U.K.) LIMITED**

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TMEI intends to implement a solvent scheme of arrangement pursuant to Part 26 of the Companies Act 2006 (the "**Scheme**"), in order to finalise the run-off of certain reinsurance business written or assumed by it. **Not all of the policies underwritten or assumed by TMEI are included in the Scheme.** Further information regarding the scope of the Scheme business is contained below in the section headed "Business included in the Scheme".

We are writing to you as we believe that you are or may be an actual or contingent Scheme Creditor within the meaning of the Scheme. Alternatively, you may act for or have represented such Scheme Creditors, in which case we ask that you either pass a copy of this letter to any such Scheme Creditors, or, provide PRO Insurance Solutions Limited ("**PRO**") with their details. PRO's contact details are contained at the end of this letter.

Following guidance given by the High Court of Justice of England and Wales (the "**High Court**"), we are writing to inform you of:

- (i) TMEI's decision to formally propose the Scheme;
- (ii) the purpose which the Scheme is designed to achieve; and
- (iii) the composition of the meeting of Scheme Creditors which TMEI proposes to convene for the purpose of voting on the Scheme.

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## **Business included in the Scheme**

The Scheme will apply to certain reinsurance business, namely the Scheme Reinsurance Contracts written or assumed by TMEI as described in the Scheme.

The Scheme will include:

- (a) business underwritten by TMEI through underwriting stamp numbers T0304, T0403 and T0502 (subject to the exception at (a) below in respect of some T0502 stamps) and
- (b) the reinsurance business transferred to TMEI by Tokio Reinsurance Company Ltd (also known as Tokio Rückversicherungs-Gesellschaft AG and Tokio Compagnie De Reassurance Sa ("**Tokio Re**"). The business transferred consisted of all of the policies entered into by Tokio Re through its UK branch and all such policies entered into by Tokio Re through its head office in Switzerland, in both cases, as assumed by TMEI.

The Scheme will not include:

- (a) liabilities arising from facultative Engineering and facultative CAR insurances or reinsurances written under stamp T0502;
- (b) liabilities arising from the business assumed by TMEI as a participating company in the Willis Faber Underwriting ("**WFUM**") Pools, which is subject to a separate scheme of arrangement;
- (c) liabilities other than in respect of Scheme Reinsurance Contracts;
- (d) liabilities in respect of UK compulsory insurance.

**Further details of the Scheme business can be obtained from the Scheme website at [www.TMEIScheme.com](http://www.TMEIScheme.com) or by contacting PRO whose details are given at the end of this letter.**

## **The Scheme**

The Scheme has been designed to offer a fair and consistent approach to claims submission and quantification. The Scheme is intended to establish an efficient and cost-effective method of determining and paying a fair value for Scheme Claims in the shortest practicable time, thus promoting certainty and finality.

Once the Scheme becomes effective, Scheme Creditors with actual, contingent or future claims (including accrued, notified, outstanding and IBNR claims) against TMEI will have a period of at least 4 months from the Effective Date of the Scheme to submit their claims with supporting information to the Scheme Manager. Whenever possible, the Scheme Manager will endeavour to agree claims. Failing agreement, the Scheme provides for the disputed matter to be referred to adjudication. Save in respect of Unpaid Agreed Claims (as defined in the Scheme), Scheme Creditors who do not submit their claims in accordance with the Scheme will not be entitled to receive payment pursuant to the Scheme or otherwise from TMEI in respect of a Scheme Claim.

## **The Creditors' Meeting and the proposed voting class**

For a scheme of arrangement of the type proposed by TMEI to be sanctioned, it must be approved by a majority in number representing not less than 75% in value, of those creditors who vote (in person or by proxy) at the meeting convened for the purpose of considering the scheme, or at each such meeting if there were to be more than one class of creditors. If the rights of Scheme Creditors are so different as to make it impossible for them to consult together with a view to their common interest, then they must be divided into classes and vote at separate class meetings.

TMEI has taken account of recent decisions of the High Court in determining the appropriate constitution of its creditors' meeting. It has concluded that a single meeting of its Scheme Creditors should be held to consider and, if thought appropriate, approve the Scheme (the "**Creditors' Meeting**").

## **The Court Hearing**

TMEI intends to apply to the High Court at the Royal Courts of Justice, Strand, London WC2A 2LL, United Kingdom, no earlier than the fourth quarter of 2009, (the "**Court Hearing**") for permission to convene the Creditors' Meeting. The date of the Court Hearing will be confirmed on the website at [www.TMEIScheme.com](http://www.TMEIScheme.com). Formal notice of the Creditors' Meeting will be sent to you in due course.

## **The action you should now take**

Potential Scheme Creditors who wish to raise concerns are requested to notify PRO in writing (using the contact details below), as soon as possible and in any event, no later than seven days prior to the date of the Court Hearing. Scheme Creditors have the right to attend the Court Hearing for the purpose of making representations (although they should take legal advice on the issues which arise for determination at that stage).

In the event that leave to convene the Creditors' Meeting is granted, a letter will be despatched to Scheme Creditors enclosing the notice convening the Creditors' Meeting to vote on the Scheme, together with a proxy and voting form and confirmation that all documentation relevant to the Scheme will be available for download from the website at [www.TMEIScheme.com](http://www.TMEIScheme.com). Hard copies of all documentation will also be available free of charge on request from PRO at the address set out below.

Further information regarding the Scheme, the Court Hearing date (once known) and the TMEI business subject to the Scheme is available on the website at [www.TMEIScheme.com](http://www.TMEIScheme.com). If you are unable to access the website and would like details sent to you by alternative means, or if you have any other queries, please contact the TMEI Scheme helpline on +44 (0)1452 782699.

## Contact details and further information

If you would like any further information concerning your contracts with TMEI or if you would like to discuss the valuation of your claims in the Scheme please contact PRO by one of the following methods:

### PRO Insurance Solutions Limited

**Phone:** +44 (0)1452 782699

**Post:** TMEI, c/o PRO Insurance Solutions Limited, Bruton Court, Bruton Way, Gloucester GL1 1DA, United Kingdom, marked for the attention of Philip Toft

**E-mail:** PRO\_TMEI@pro-ltd.co.uk

**Fax:** +44 (0)1452 523437, marked for the attention of Philip Toft

**Website:** [www.TMEIScheme.com](http://www.TMEIScheme.com)

Yours faithfully

PRO Insurance Solutions Ltd

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