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PRESS RELEASE

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Lloyd's welcomes landmark Equitas deal

Lloyd's, the world's leading specialist insurance market, today welcomed the announcement of a transaction between Equitas and Berkshire Hathaway Inc. Once completed this will end the residual legal liabilities of Lloyd's and bring finality to Names reinsured by Equitas.

The transaction will provide a further £3.8 billion (\$7 billion) of reinsurance cover to Equitas and, when finalised, will end liabilities for Names under policies reinsured by Equitas. It is intended that Lloyd's will make a total contribution of £90 million to the transaction.

Lloyd's Chairman, Lord Levene, said:

"This agreement marks a significant milestone for Lloyd's. It enables us to close a chapter in Lloyd's history and move forward.

"We have always had every confidence in the management of Equitas and their ability to achieve a solvent run-off. This additional protection, however, is very valuable to Names who were originally reinsured by Equitas and who will now achieve finality post transfer."

Lloyd's Chief Executive, Richard Ward, said:

"Despite the outstanding performance of Equitas since its inception, the rating agencies sometimes cite it as having a potentially negative impact on the market's ongoing financial strength. The successful completion of this transaction should end that once and for all."

Notes to Editors:

1. Equitas was established in 1996 as a reinsurance company independent of Lloyd's. It reinsures the 1992 and prior non-life liabilities of all Lloyd's members.
2. This transaction is subject to the approval of the relevant regulatory authorities and the current membership of Lloyd's through an EGM.

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Find out more about Lloyd's

What is Lloyd's?

Financial performance

Lloyd's is the world's leading specialist insurance market and expects to have the capacity to write approximately £14.8bn of business in 2006. It occupies sixth place in terms of global reinsurance premium income, and is the second largest surplus lines insurer in the US. In