

Lloyd's Members Agency Services Limited

Our ref: LMAS/CFT/JAM/«MEMBER_CODE»

8 January 2009

«CorrespondenceName»

«Address_Lines»

«Post_Code»

«COUNTRY»

Please reply to: LMAS
Fidentia House
Walter Burke Way
Chatham Maritime
Chatham Kent
ME4 4RN

Telephone: 01634 39 «Extension»
Facsimile: 01634 392081
Web site: <http://www.lmas.co.uk>
e-mail: «EMail»

MEMORANDUM

SYNDICATE 1101 – 1998 & 1999 ACCOUNTS CASH CALL DUE FOR SETTLEMENT ON 9 FEBRUARY 2009

I regret to advise you that I have received from Duncanson & Holt Syndicate Management Limited the enclosed cash call statement in respect of the 1998 and 1999 account of Syndicate 1101 in which you participate either on a bespoke and/or through a MAPA constitution as shown on the enclosed schedule, **which is due for settlement on 9 February 2009.**

The amount due from you is £«V1». As shown on the enclosed schedule you will note from the cash call statement that the call is 5.53% and 2.77% of the capacity for the 1998 and 1999 accounts respectively and will be made in US dollars. At the time of preparing the statement the rate of exchange of the £ to the US\$ was 1.78, since that time sterling has deteriorated against the dollar and the rate of exchange is currently 1.44 and the sterling equivalent has been included in the amount due from you as shown above.

If you wish to use securities held in your Lloyd's funds please let me know, a Voluntary Drawdown Form (enclosed where applicable) will need to be completed if funds from the General Deposit are used to settle the call. Where the call can be settled entirely by cash Lloyd's has made a concession that it will not make a charge of £111 for processing a Voluntary Drawdown below £500. **If you wish any assets to be realised, then it is important that you give your instructions to your stockbroker as soon as possible so that Lloyd's receive contract notes safely before Friday 30th January 2009.** LMAS cannot complete sales on your behalf. If Lloyd's has to settle the call under a compulsory drawdown procedure then assets will be realised in the following order: cash, other liquid assets (e.g. building society accounts), gilts and lastly equities/units trusts-most recent acquisitions first). A charge of £111 has also been introduced by MS for processing a compulsory drawdown. We enclose, for your information, the current valuation of your Lloyd's Deposit and Personal Reserve Fund, if applicable. In addition I also enclose a payment of loss form which I will be grateful if you would kindly complete and return indicating how the call will be settled.

/Cont'd

After allowing for Fund withdrawals, **if you wish to be sure of avoiding a late payment interest charge, then Lloyd's informs us that you should provide us with a cheque and ensure** that we receive it by **Friday 30th January 2009**. Your cheque should be made payable to "Corporation of Lloyd's (your name and Lloyd's number)".

Alternatively, you may give instructions to your bank to make an electronic payment so that cleared funds are received by close of business on Monday 2nd February 2009 either by CHAPS in Sterling to:

National Westminster Bank Plc
1 Princes Street
London
EC2R 8PA

Sort Code: 60-00-01

A/C No: 14945983

A/C Title: The Corporation of Lloyd's Members Trust No. 3 A/C

Note: Details of the Member name and Member's Lloyd's number must be included

or by Urgent SWIFT in US Dollars to the same address and sort code as above but to A/C No. 140/02/40056600, quoting SWIFT Code NWBKGB2L. Again, details of the Member name and Member's Lloyd's number must be included.

If you are making an electronic payment then you should check with your bank whether any bank charges will arise and ensure that any such charges are allowed for.

Should you be unable to provide new money and therefore wish to drawdown on your Funds at Lloyd's, then please contact me as soon as possible.

Finally, I should point out that any unpaid cash call debts as at **Tuesday 10th February 2009** may be subject to PRF drawdowns initiated immediately thereafter. These will normally be affected in the same order as set out on the previous page.

Once again, I am sorry to have to report that this syndicate has had the need to call for additional funds and if you have any questions in relation to the enclosures, then please do not hesitate to contact me.

«LetterName»

Encs.



Duncanson & Holt Syndicate Management Limited

40 Dukes Place
London EC3A 7NH
Tel: 0870 523 4567
Fax: 0870 162 4584

5th January 2009

CASH CALL STATEMENT – SYNDICATE 1101: 1998 YEAR OF ACCOUNT

To Members participating on the 1998 year of account of syndicate 1101.

We set out below a formal cash call statement. The date at which the information, explanations and indications contained in this statement are given is 31st December 2008. This statement has been approved by a resolution of the Board of Duncanson & Holt Syndicate Management Limited and includes the matters and is in the form currently required by the Council of Lloyd's under paragraph 7.1 (b) of Schedule 3 Managing Agent's Agreement (General) & Schedule 4 Managing Agent's Agreement (Corporate Member) to the Agency Agreements Byelaw (No 8 of 1988).

Cash Call Statement:

Syndicate number	1101
Year of account	1998
Syndicate capacity	£54,231,618
Amount of cash call	US\$5,340,000
Cash call as percentage of syndicate allocated capacity	5.53%
Cash call per £10,000 share	US\$984 (@\$1.78 = £1)

The due date for payment of the cash call is 9th February 2009. Interest will be charged from 9th February 2009 on all overdue amounts at 2% over the base rate of Barclays Bank Plc.

The reason for this cash call is that the syndicate must continue to meet its obligations to policyholders out of its free funds and its obligations in respect of US funding requirements.

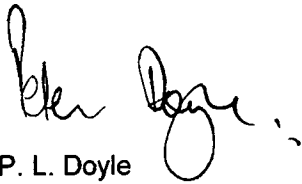
We have attempted to obtain alternative funding. Although banks may be prepared to provide short term funding to syndicates in run-off, they will only do so against cash calls that have been made. Apart from this, banks are unwilling to lend to syndicates in run-off and we have been unable to secure alternative funding for the syndicate.

Indications are that following this cash call sufficient funds will be available to the syndicate until December 2009.

The need for any further cash calls will be dependent on loss ratios not deteriorating, further large claim payments being spread throughout the year and reinsurers meeting their liabilities promptly. The syndicate's cash flow may also be affected by other matters outside the immediate control of the syndicate, specifically US funding requirements. These factors contribute to considerable uncertainty and volatility in the syndicate's cash balances.

The expected result of the year of account as at the latest reporting date of 30th September 2008 is a loss of 89.17% of stamp capacity. This figure does not include any risk premium which may be charged on closure of the year of account. Including the present cash call, the total of the cash calls to date is 92.76% of stamp capacity (at 30th September 2008 RoE).

Accompanying this statement is a copy of a report prepared on the cash call statement by the syndicate auditors.



P. L. Doyle
Director

**REPORT OF THE INDEPENDENT AUDITORS OF SYNDICATE 1101 TO THE
COUNCIL OF LLOYD'S IN ITS REGULATORY CAPACITY UNDER THE
FINANCIAL SERVICES & MARKETS ACT 2000 AND THE MEMBERS OF THE
SYNDICATE**

Underwriting Year 1998

We have reviewed the attached cash call statement dated 5 January 2009 which has been prepared in accordance with the Cash Call Statements (Contents and Form) Requirements (1999) as amended and dated 6 September 2000 made by the Council of Lloyd's under paragraph 7.1(b) of Schedule 3 Managing Agent's Agreement (General) and Schedule 4 Managing Agent's Agreement (Corporate Member) to the Agency Agreements Byelaw (No. 8 of 1988) ("the Requirements").

This report is made solely to the addressees in accordance with paragraphs 4(f) and 7 to 9 of the Cash Call Statements (Contents and Form) Requirements (1999) as amended. Our work has been undertaken so that we might state to the addressees of this report those matters we are required to state to them in a report by the syndicate auditors on the cash call statement of the syndicate and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the syndicate's members, for our work, for this report, or for the opinions we have formed.

Responsibilities of the managing agent and the syndicate's auditors

The managing agent is responsible for the preparation of the cash call statement in accordance with the Requirements.

It is our responsibility under the Requirements to form an independent opinion based on our review on whether the cash call statement complies with the Requirements.

Basis of opinion

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable but not absolute assurance that the cash call statement complies with the Requirements. This provides less assurance than an audit and accordingly we do not express an audit opinion.

Opinion

In our opinion, the cash call statement complies with the Requirements.



Deloitte LLP

Date 5 January 2009

Chartered Accountants and Registered Auditors
London



Duncanson & Holt Syndicate Management Limited

40 Dukes Place
London EC3A 7NH
Tel: 0870 523 4567
Fax: 0870 162 4584

5th January 2009

CASH CALL STATEMENT – SYNDICATE 1101: 1999 YEAR OF ACCOUNT

To Members participating on the 1999 year of account of syndicate 1101:

We set out below a formal cash call statement. The date at which the information, explanations and indications contained in this statement are given is 31st December 2008. This statement has been approved by a resolution of the Board of Duncanson & Holt Syndicate Management Limited and includes the matters and is in the form currently required by the Council of Lloyd's under paragraph 7.1 (b) of Schedule 3 Managing Agent's Agreement (General) & Schedule 4 Managing Agent's Agreement (Corporate Member) to the Agency Agreements Byelaw (No 8 of 1988).

Cash Call Statement:

Syndicate number	1101
Year of account	1999
Syndicate capacity	£54,125,401
Amount of cash call	US\$2,670,000
Cash call as percentage of syndicate allocated capacity	2.77%
Cash call per £10,000 share	US\$493 (@\$1.78 = £1)

The due date for payment of the cash call is 9th February 2009. Interest will be charged from 9th February 2009 on all overdue amounts at 2% over the base rate of Barclays Bank Plc.

The reason for this cash call is that the syndicate must continue to meet its obligations to policyholders out of its free funds and its obligations in respect of US funding requirements.

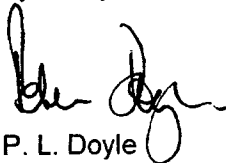
We have attempted to obtain alternative funding. Although banks may be prepared to provide short term funding to syndicates in run-off, they will only do so against cash calls that have been made. Apart from this, banks are unwilling to lend to syndicates in run-off and we have been unable to secure alternative funding for the syndicate.

Indications are that following this cash call sufficient funds will be available to the syndicate until December 2009.

The need for any further cash calls will be dependent on loss ratios not deteriorating, further large claim payments being spread throughout the year and reinsurers meeting their liabilities promptly. The syndicate's cash flow may also be affected by other matters outside the immediate control of the syndicate, specifically US funding requirements. These factors contribute to considerable uncertainty and volatility in the syndicate's cash balances.

The expected result of the year of account as at the latest reporting date of 30th September 2008 is a loss of 66.79% of stamp capacity. This figure does not include any risk premium which may be charged on closure of the year of account. Including the present cash call, the total of the cash calls to date is 62.26% of stamp capacity (at 30th September 2008 RoE).

Accompanying this statement is a copy of a report prepared on the cash call statement by the syndicate auditors.



P. L. Doyle
Director

**REPORT OF THE INDEPENDENT AUDITORS OF SYNDICATE 1101 TO THE
COUNCIL OF LLOYD'S IN ITS REGULATORY CAPACITY UNDER THE
FINANCIAL SERVICES & MARKETS ACT 2000 AND THE MEMBERS OF THE
SYNDICATE**

Underwriting Year 1999

We have reviewed the attached cash call statement dated 5 January 2009 which has been prepared in accordance with the Cash Call Statements (Contents and Form) Requirements (1999) as amended and dated 6 September 2000 made by the Council of Lloyd's under paragraph 7.1(b) of Schedule 3 Managing Agent's Agreement (General) and Schedule 4 Managing Agent's Agreement (Corporate Member) to the Agency Agreements Byelaw (No. 8 of 1988) ("the Requirements").

This report is made solely to the addressees in accordance with paragraphs 4(f) and 7 to 9 of the Cash Call Statements (Contents and Form) Requirements (1999) as amended. Our work has been undertaken so that we might state to the addressees of this report those matters we are required to state to them in a report by the syndicate auditors on the cash call statement of the syndicate and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the syndicate's members, for our work, for this report, or for the opinions we have formed.

Responsibilities of the managing agent and the syndicate's auditors

The managing agent is responsible for the preparation of the cash call statement in accordance with the Requirements.

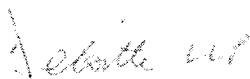
It is our responsibility under the Requirements to form an independent opinion based on our review on whether the cash call statement complies with the Requirements.

Basis of opinion

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable but not absolute assurance that the cash call statement complies with the Requirements. This provides less assurance than an audit and accordingly we do not express an audit opinion.

Opinion

In our opinion, the cash call statement complies with the Requirements.



Deloitte LLP

Chartered Accountants and Registered Auditors
London

Date 5 January 2009

Payment of Losses Instruction Form

Name:

Member No:

Please instruct Lloyd's to settle my losses by the following method(s):

Please find attached a cheque in settlement of loss

I have instructed my Bank to send funds electronically

Please settle the loss from the funds held in my Personal Reserve

I am aware that if stock needs to be sold I must have a broker agreement in place with Lloyd's and it is my responsibility to arrange any sales through that stockbroker.

Please forward the relevant documents to settle the loss from the funds held in my General Deposit

I am aware that if stock needs to be sold I must have a broker agreement in place with Lloyd's and it is my responsibility to arrange any sales through that stockbroker.

Signed:

Date: