

# Lloyd's Members Agency Services Limited

Our ref: LMAS/JAM/«MEMBER\_CODE»

11 December 2008

«CorrespondenceName»

«Address\_Lines»

«Post\_Code»

«COUNTRY»

Please reply to: LMAS  
Fidentia House  
Walter Burke Way  
Chatham Maritime  
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## MEMORANDUM

### SYNDICATE 2

### 2001 AND 2002 RUN-OFF YEARS OF ACCOUNT

I enclose, for your information, a copy of the letter I have received from Advent Underwriting Limited, the managing agent of the above syndicate which provides an update on the progress they are making to achieve closure.

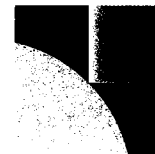
You will gather that the managing agent is endeavouring to obtain an equitable quotation for a RITC for 31<sup>st</sup> December 2008.

I shall write to you again once we have met with Advent to consider any proposal they would wish to make for the closure of Syndicate 2's run-off years of account.

«LetterName»  
Names' Executive

Encs.

# ADVENT UNDERWRITING LIMITED



C F Talbot Esq  
Lloyd's Members Agency Services Ltd  
Fidentia House Walter Burke Way  
Chatham Maritime  
Chatham  
Kent  
ME4 4RN

4 December 2008

Dear Cliff,

## Syndicate 2

Following our presentation to you in July this year, we wish to bring you up to date with the process of endeavouring to find a solution for closing the 2001 and 2002 years of account of Syndicate 2.

As you are probably aware, the September QMR showed the following positions in relation to the open years of Syndicate 2.

	Result as percentage of capacity	Called/ (distributed) as percentage of capacity	Balance due (from)/to Names per £10,000 share after illustrative personal expenses, deducting cash calls made and distributed profits
2001 YOA	(44.94%)	30.0%	£(1,494)
2002 YOA	14.62%	(4.19%)*	£1,042

\* 5% was distributed, but paid in US dollars, now equivalent to 4.19%.

In July, we advised that we had obtained three quotes for the closure of both years. Two of the quotes required risk premiums in addition to the reserves established to close the years, the third quote was for closure at current reserves (i.e. with no risk premium). Following feedback from Members Agents at that time (and given the time that has elapsed since then), the Board have decided to seek two further quotes whilst also seeking clarification that the previous quote of a nil risk premium still stands.

Currently, we would expect to receive the quotes later this month. Upon receipt of all quotes the Board will review the position. It will then be the intention to meet Members Agents to discuss the outcome and any proposal the Board would make in closing the run-off years of Syndicate 2. Given the commercial sensitivity of the quoting process we believe that it is not in the capital providers interests to publicly identify the companies involved. We would trust you respect this confidentiality at this time.

UNDERWRITING AGENT AT LLOYD'S  
10th Floor, 1 Minster Court, London EC3R 7AA  
Tel 020 7743 8200 Fax 020 7743 8299 head.office@adventgroup.co.uk  
www.adventgroup.co.uk

Registered No.1227004 England Registered address as above  
Authorised and regulated by the Financial Services Authority

LLOYD'S Underwriters




The purpose of writing to you now is that you may wish to advise your Names of the process that we are going through in order that should a solution be found the Names are fully aware of the background leading up to any decision that may be made by the Board in closing the run-off years of Syndicate 2.

As you are aware, the Board is mindful of any conflicts of interest and has adopted a procedure that ensures such conflicts are recognised and managed in any final decision making process. In addition, we have kept closely in touch with the relevant individuals at Lloyd's and the FSA in order that they are fully aware of the process being adopted by the Managing Agency.

After considering the conflicts of interest policy adopted by the Board, a committee has been formed, made up of two Executive Directors and two Non-Executive Directors, to oversee the quotation process.

In addition, please note that John Towers or Philip Green are now the primary contacts at Advent for Members' Agents on matters relating to Syndicate 2.

Yours sincerely,



**John C Towers**  
Director



**Philip J Green**  
Director

c.c. Steve McCann, Lloyd's  
Nick Clements, FSA