

TO ALL KNOWN SCHEME CREDITORS, AGENTS AND BROKERS

**THIS IS AN IMPORTANT LETTER CONCERNING SPHERE DRAKE INSURANCE LIMITED AS PART OF THE WFUM POOLS AND REQUIRES YOUR IMMEDIATE ATTENTION**

Our Ref:

06 November 2007

**CHIEF FINANCIAL OFFICER**

Dear Sirs

**SPHERE DRAKE INSURANCE LIMITED ("SPHERE DRAKE") AS PART OF THE WFUM POOLS**

We write to inform you that the High Court of Justice of England and Wales has sanctioned the scheme of arrangement proposed to be made between Sphere Drake and its Scheme Creditors (the "**Scheme**"). A copy of the Order sanctioning the Scheme was delivered to the Registrar of Companies in England and Wales for registration on 06 November 2007 and the Scheme became effective for Sphere Drake on that date (the "**Effective Date**").

Sphere Drake participated in the WFUM Pools, and the Sphere Drake Scheme is the same in its terms to the schemes of 14 other WFUM Pools companies, which became effective on 10 October 2007 (the "**WFUM Pools Schemes**").

We are writing to you as we believe that you are, or may be, a Scheme Creditor of Sphere Drake and that as such you may have a claim in the Scheme. Alternatively, you may have represented such Scheme Creditors, in which case we ask that you pass a copy of this letter on to any potential Scheme Creditors which you represent or have represented.

**Please note that all Scheme Creditors are now bound by the provisions of the Scheme.**

A full copy of the Scheme Document is available to download from the WFUM Pools Website at [www.wfumpools.com](http://www.wfumpools.com). Should you require a copy of the Scheme Document on CD-ROM or paper, please contact the Scheme Manager, PRO Insurance Solutions Limited ("**PRO**") at the address at the end of this letter.

**Return of Claim Form**

Claim Forms may be submitted either via the WFUM Pools Website at [www.wfumpools.com](http://www.wfumpools.com), or by completing and returning a paper copy of the Claim Form, by post, fax or e-mail, to PRO. The Website and the documents that accompany the manual Claim Form contain important information and guidelines explaining the process for submission of your Claim Form.

For each Scheme Creditor of which it is aware, PRO will prepare a Claim Form containing: (1) details of each Insurance Contract of which PRO is aware and which may give rise to a Scheme Claim; (2) details of Unpaid Agreed Claims of which it is aware arising under such Insurance Contracts; and (3) any details of claims or Insurance Contracts entered on the Website by the Scheme Creditor for voting purposes or otherwise, provided such details were added at claim level.

Scheme Creditors should contact PRO at [pro\\_wfumpools@pro-ltd.co.uk](mailto:pro_wfumpools@pro-ltd.co.uk) to request their Website username and password if they have not already done so, which will enable them to access the secure area of the Website containing their Claim Form as prepared by PRO. Alternatively, Scheme Creditors may request a paper, CD-ROM or e-mail copy of their Claim Form from PRO.

Scheme Creditors wishing to submit a Scheme Claim must submit their Claim Form via the Website or return their manual Claim Form to PRO by 11.59 pm (UK time) on 06 May 2008 (the "**Bar Date**").

Sphere Drake will accept any Claim Form submitted in relation to the WFUM Pools Schemes (assuming it is submitted in accordance with the terms of those schemes and contains details of Scheme Claims in respect of policies on which Sphere Drake participated) as having also been submitted in relation to the Sphere Drake Scheme. Therefore if Scheme Creditors have entered amounts on the Claim Form in the WFUM Pools Schemes in respect of policies on which Sphere Drake participated, they do not need to submit a separate Claim Form to claim in the Sphere Drake Scheme, unless they wish to submit additional and/or amended claims.

If a Scheme Creditor does not submit its Claim Form via the Website or return a manual Claim Form, together with appropriate supporting documentation in accordance with the instructions accompanying the Claim Form, by 11.59 pm on the Bar Date, the information on the Website at that point in time concerning its claim values shall be deemed to have been submitted immediately before the Bar Date. In such circumstances the Scheme Creditor will lose its entitlement to assert any Scheme Claims additional to those present on the Website.

Scheme Creditors may send paper Claim Forms by post, facsimile transmission or by e-mail (in pdf or tif format), to be received by PRO by 11.59 pm (UK time) on the Bar Date. Forms sent by facsimile or e-mail will be accepted only if they are legible.

Due to the complexity of the WFUM Pools it will be much easier for Scheme Creditors to enter details of their claims via the Website and Scheme Creditors are strongly encouraged to do so. Calculation of the time-value discount and the allocation of claims across the WFUM Pools Scheme Companies including Sphere Drake will be carried out automatically on Claim Forms completed on the Website. Claims can be added to the Website up to 11.59 pm (UK time) on the Bar Date; all values present on the Website at this time will be deemed submitted into the Scheme.

#### **Further Information and Contact Details**

Any Scheme Creditor which has any questions concerning this letter or the action it is required to take, or which requires assistance in completing its Claim Form, should contact PRO. Further information may be obtained from the Website at [www.wfumpools.com](http://www.wfumpools.com) or upon request from PRO.

The contact details for PRO are as follows:

WFUM Pools  
c/o PRO Insurance Solutions Limited  
Bruton Court, Bruton Way,  
Gloucester, GL1 1DA,  
United Kingdom.

E-mail: [pro\\_wfumpools@pro-ltd.co.uk](mailto:pro_wfumpools@pro-ltd.co.uk) (marked for the attention of Toby Wooldridge)  
Fax: +44 (0) 1452 523437 (marked for the attention of Toby Wooldridge)  
Telephone: +44 (0) 1452 523426

Yours faithfully

For and on behalf of Sphere Drake Insurance Limited

*PRO Insurance Solutions Ltd*

PRO Insurance Solutions Limited