

Important Notice

13 May 2013

Ref: GHH/SJE/MMI

Direct line: 020 7951 9955

Email: sellis@uk.ey.com

Dear Creditor

Municipal Mutual Insurance Limited (MMI)

Further to my letter dated 2 April 2013, I enclose MMI's Scheme Creditor Statement as at 31 March 2013. The statement details the total payments made by MMI in respect of your policies since the 30 September 1993, the 'Scheme Record Date'. As advised in my letter of 2 April 2013, following the triggering of MMI's Scheme of Arrangement I have determined that initially a Levy rate of 15% will be required. For information purposes, assuming that none of the payments recorded on the statement were made in respect of protected claims, I estimate that had the Levy Notice been issued on the 31 March 2013 your liability for Levy would have been in the order of:

£

This is calculated as: 15% of the value of 'total claims payments carried forward at 31 March 2013' exceeding £50,000. No Levy is raised on the first £50,000 of claims payments. The actual Levy Notice will be issued later this year and will be based on the value of total claims payments at the actual Levy Date.

Protected Claims

As set out in my letter of 2 April 2013, some creditors may be entitled to protection from the Levy if they were eligible for the protection of the Policyholders Protection Board, now the Financial Services Compensation Scheme (the 'FSCS'). In order to qualify for protection such creditors must be certified by the FSCS. I enclose a FSCS 'Eligibility Form'. Creditors who wish to apply for FSCS certification as a protected creditor should complete and return this form to: Municipal Mutual Insurance, 29 Buckingham Gate, Westminster, London, SW1E 6NF. Until a creditor has received FSCS certification MMI will be unable to treat it as a Protected Creditor under the Scheme of Arrangement.

Further information

Further information regarding the Scheme can be found on MMI's website: mminsurance.co.uk. Specific queries regarding statements should be referred directly to MMI by e-mail to the following address: soa@mminsurance.co.uk.

Yours sincerely
For MMI



Gareth Hughes
Scheme Administrator