



Grant Thornton

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Date

Dear Broker

Lemma Europe Insurance Company Limited ("The Company") Appointment of Provisional Liquidator

As you may be aware, on 1st August 2012, Financial Services Commission of Gibraltar ("the Commission"), which is the Company's regulator in Gibraltar, issued a direction that the Company ceased to be authorised to issue new contracts of insurance. A notice to this effect was posted on the Commission's website: www.fsc.gi/enforcement/lemmacurope.htm. On 19th September 2012, the Commission presented a petition for the Company to be wound up (which is presently due to be heard by the Supreme Court of Gibraltar on 24 January 2013). On 28th September 2012, on an application by the Commission, the Supreme Court of Gibraltar appointed me as Provisional Liquidator of the Company with the powers and duties specified in the Order by which I was appointed.

I am writing to you because the records and information available to me indicate that you are or have been an insurance broker or intermediary with a relevant agreement with the Company. Under the circumstances and in consequence of my appointment, it is necessary for me to notify you that you no longer have any authority to issue or deal in any way with any policies on behalf of the Company.

As Provisional Liquidator, I have taken over management and control of the Company, and am acting to identify and secure its assets. You are required to account to the Company for any money which you may be holding on behalf of the Company. Balances should be notified and remitted to the Company immediately.

My appointment does not automatically terminate insurance policies or other contracts. I am currently exploring all options in respect of the future of the Company but I must advise that there is a real possibility that there will be insufficient funds to meet the Company's insurance liabilities in full. No claims will be paid by the Company in the immediate future.

I am enclosing a copy of the formal Notification of my appointment which is required to be sent to all known creditors of the Company pursuant to section 6(1)(a) of Gibraltar's Insurers (Reorganisation and Winding Up) Act 2004 (transposing the provisions of European Directive 2001/17/EC of 19th March 2001). A copy of this Notification is being sent to all those policyholders for whom I presently have addresses, under cover of a letter advising them to contact their broker or intermediary, and for those with unexpired

policies to consider obtaining alternative cover. I would be grateful if you would also ensure this Notification is brought to the attention of policyholders for whom you have acted as broker or intermediary, and if you would confirm to me as soon as possible the contact details for all policyholders of whom you are aware.

Policyholders should report any claims outstanding under existing policies to the Company as set out in their policy documents but these should now be addressed to my appointed claims manager, Quest Consulting (London) Limited, Cutlers Court, 115 Houndsditch, London, EC3A 7BR or by email to: phafner@quest-group.co.uk.

We have also been liaising with the Financial Services Compensation Scheme ("FSCS") in the UK regarding potential protection for UK policyholders, both individual and small businesses. The FSCS provides compensation when authorised financial services firms have failed. Lemma was an FSA authorised firm, so that certain claims against the company may be protected by FSCS, which protects policyholders in respect of UK risks. The maximum level of compensation for claims against firms declared in default is 90% of the claim with no upper limit. Certain compulsory insurance (such as employers liability and motor third party claims) is covered in full. You can find more information about the FSCS at www.fscs.org.uk

As you will appreciate, it is necessary for me and my staff to review all contracts and engagements entered into by the Company, including agreements with Brokers and we will write further to you in due course in respect of any matters arising from this review. Similarly, it would be helpful if you would raise with me any matters which you consider should be brought to my attention.

I believe that email is likely to be the most cost-efficient method of communication and would be grateful for your confirmation that you are happy for me, my staff and agents to correspond with you by email, in which case I would also be grateful for confirmation of your email address. For this and other communications until further notice, please address all emails to lemma@gi.gt.com.

Yours faithfully



Frederick White
Provisional Liquidator acting without personal liability
For and on behalf of Lemma Europe Insurance Company Limited

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IMPORTANT NOTICE TO ALL POLICYHOLDERS OF LEMMA EUROPE INSURANCE COMPANY LIMITED

Dear Policyholder

Lemma Europe Insurance Company Limited ("The Company") Appointment of Provisional Liquidator

On 1st August 2012, Financial Services Commission of Gibraltar ("the Commission"), which is the Company's regulator in Gibraltar, issued a direction that the Company ceased to be authorised to issue new contracts of insurance. On 19th September 2012, the Commission presented a petition for the Company to be wound up (which is presently due to be heard by the Supreme Court of Gibraltar on 24 January 2013). On 28th September 2012, on an application by the Commission, the Supreme Court of Gibraltar appointed me as Provisional Liquidator of the Company with the powers and duties specified in the Order by which I was appointed.

I am writing to you because the records and information available to me indicate that you are or have been the holder of a policy of insurance issued by the Company..

My appointment as the Provisional Liquidator of the Company constitutes the opening of winding up proceedings for the purposes of Directive 2001 / 17 /EC of the European Parliament and of the Council of the 19th March 2001 on the reorganisation and winding up of insurance undertakings ("the Reorganisation Directive"), implemented in Gibraltar by the Insurers (Reorganisation and Winding Up) Act 2004 ("the Act"). I enclose with this letter the formal notification required by Section 6(1)(a) of the Act.

As Provisional Liquidator I have taken over management and control of the Company, and am acting to identify and secure its assets. My appointment does not automatically terminate insurance policies or other contracts. I am currently exploring all options in respect of the future of the Company but I must advise that there is a real possibility that there will be insufficient funds to meet the Company's insurance liabilities in full. No claims will be paid by the Company in the immediate future.

Consequently, policyholders are advised to contact their Broker or intermediary in order to consider the implications of these events, and anyone with an unexpired policy of insurance written by the Company should consider obtaining alternative cover.

Policyholders should report any claims outstanding under existing policies to the Company as set out in their policy documents, but these should be addressed to my appointed claims manager, Quest Consulting (London) Limited, Cutlers Court, 115 Houndsditch, London, EC3A 7BR or by email to: phafncr@quest-group.co.uk.

The Financial Services Compensation Scheme ("FSCS") provides compensation for UK policyholders when authorised financial services firms fail. Lemma was authorised by the Financial Services Authority so certain claims against the company may be protected by FSCS, which protects policyholders in respect of UK risks. The FSCS is now considering the position of the company, and will update policyholders shortly. The maximum level of compensation for claims against firms declared in default is 90% of the claim with no upper limit. Certain compulsory insurance (such as motor third party claims and employer's liability) is protected in full. You can find more information about the FSCS at <http://www.fscs.org.uk/what-we-cover/products/insurance/>

I believe that communication via email would be the most efficient and cost-effective method of communicating with policyholders and other interested parties. I would therefore be grateful if you would provide me with your preferred email address in order that we may correspond on this basis. The provision of your email address will constitute your consent and authorisation for the Provisional Liquidator and my staff or agents to communicate with you on matters relating to your policy and the Company. For this purpose, I would be grateful if you would please confirm your full name, [policy reference number] and email address to lemma@gi.gt.com.

I will endeavour to post updates and communications on the Company's website from time to time and would ask you to check this on a regular basis.

Yours faithfully,



Frederick White
Provisional Liquidator acting without personal liability
For and on behalf of Lemma Europe Insurance Company Limited

Winding-up proceedings

Notification of decision to open winding-up proceedings in respect of Lemma Europe Insurance Company Limited

APPOINTMENT OF PROVISIONAL LIQUIDATOR

Notification of relevant decision to all known creditors of Lemma Europe Insurance Company Limited in accordance with Article 15(1) of the Directive 2001/17/EC of the European Parliament and the Council of 19 March 2001 on the reorganisation and winding-up of insurance undertakings, implemented in Gibraltar by Section 6(1) (a) of the Gibraltar Insurers (Reorganisation and Winding Up) Act 2004

Insurance Undertaking	Lemma Europe Insurance Company Limited The Tower Office Marina Bay Gibraltar
Date, entry into force and nature of decision	Date: 28 September 2012 Entry into force: 28 September 2012 Order of the Supreme Court of Gibraltar appointing Frederick David John White as Provisional Liquidator of the Company, pending hearing of a petition for the winding-up of the Company presently listed for hearing in the Supreme Court of Gibraltar on 24 January 2013
Effect of decision on contracts of insurance	The decision does not terminate or cancel contracts of insurance but claims under contracts of insurance will not be paid until the assets and liabilities of the Company have been ascertained. A further notice will be sent to all known creditors in due course explaining (insofar as relevant) the process of submitting claims.
Date from which any variation to the risks covered by, or the sums recoverable under, contracts of insurance have effect.	The date of variation may be considered to be 28 September 2012. Another date may be directed by the Court.
Appointed Liquidator	Frederick David John White Grant Thornton (Gibraltar) Limited 6A Queensway (PO Box 64) GIBRALTAR Tel: +350 200 45502 Fax: + 350 200 51071 Email: lemma@gi.gt.com