

P&I Insurance Department
Name
Address
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Address

1 September 2012

Dear Sir

Outline

- The UK Club is proposing an internal restructure to improve capital efficiency.
- Under the new structure, the business of UK Bermuda is transferred to its subsidiary UK Europe which is the sole direct insurance provider for UK Club Members going forward.
- This will be accomplished by a scheme of arrangement between the Club and its Members (Bermuda Scheme) and a transfer of the insurance business (UK Transfer).
- The Board of the UK Club considers that the Bermuda Scheme and the UK Transfer are in the best interests of the Club's Members.
- The following documents are enclosed in relation to the Bermuda Scheme :
 - Pre-populated Claim Form
 - Form of Proxy
 - Bermuda Scheme documents
- The following documents are enclosed in relation to the UK Transfer:
 - Notice to Policyholders
 - Summary of UK Transfer
- Further information: <http://www.ukpandi.com/about-the-club/club-restructure/>

Action

- You should read the enclosed documents
- If you agree, you should sign and return the pre-populated Claim Form and complete and return the Form of Proxy
- If you do object, please write to me at the address below, stating your reasons

UK Club Restructure

You have previously been informed of proposed changes to the structure of the Club, which will establish UK Europe as the sole provider of direct insurance business to UK Club members, with effect from 20 February 2013. These changes are a response to the impending Solvency 2 regulations for insurers in the European Union. By reducing the number of separately regulated insurers from two to one, the UK Club aims to streamline governance, reduce compliance costs, and manage the Club's solvency capital requirements more efficiently. An independent expert, whose summary report is attached, has concluded that the transfer will have no material adverse

affect on your rights as a policyholder.

Bermuda Scheme

Every past or present UK Club Member is considered to be a creditor of the UK Club and is entitled to vote at the meeting to approve the Scheme on 29th October 2012. The number of votes you have corresponds to your share of the total amount of Members' claims as recorded in the books of UK (Bermuda) as at 20 August 2012. This amount, shown on the pre-populated Claim Form, is only relevant for voting purposes at the meeting and will not affect your insurance renewal discussions.

If you agree with the Scheme and the voting calculation, please sign Part 1 of the Claim Form and return it to me with your completed signed Proxy Form, to arrive no later than 17:00 GMT on 23rd October 2012.

UK Transfer

There is no need to reply to Notice to Policyholders unless you object to the UK Transfer. The Notice to Policyholders contains details of how you may make any objection you might have.

If you do intend to present any objection, either to the UK Transfer, or to the Bermuda Scheme, please contact me at the address below, as soon as possible, stating the reasons for your concerns:-

John McPhail
Thomas Miller P&I Ltd
90 Fenchurch Street
London EC3M 4ST
United Kingdom
Tel: +44 207 204 2308
Email: john.mcphail@thomasmiller.com

Yours faithfully

John McPhail
Thomas Miller P&I Ltd
As agents for Thomas Miller (Bermuda) Ltd.

CLAIM FORM (Part 1)

The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited

Words and phrases defined in the Scheme shall have the same meaning in this Claim Form.

THIS CLAIM FORM, ALONG WITH APPROPRIATE SUPPORTING EVIDENCE IF FILING A NEW CLAIM FORM, MUST BE RETURNED TO JOHN MCPHAIL OF THOMAS MILLER, 90 FENCHURCH STREET, LONDON, EC3M 4ST, TELEPHONE + 44 (0) 20 7204 2308, FAX +44 (0) 20 7283 8006, EMAIL john.mcphail@thomasmiller.com AS SOON AS POSSIBLE AND BY NO LATER THAN 5PM GREENWICH MEAN TIME ON 23 OCTOBER 2012.

SCHEME CREDITOR NAME:

SCHEME CREDITOR REFERENCE:

Claim Summary:

Scheme Claims (USD)

"A" - Gross Notified Outstanding Claims

"B" - Non-OD IBNR Claims

"C" - OD IBNR Claims

Total of votes A, B and C		

To the best of my knowledge and belief the information on this Claim Form as completed and any supporting evidence, as amended or otherwise, is correct and fair.

Signed:

Name:

Position/Capacity:

For and on behalf of (Scheme Creditor name):

Date:

CLAIM FORM (Part 2)

The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited

Words and phrases defined in the Scheme shall have the same meaning in this Claim Form.

THIS CLAIM FORM, ALONG WITH APPROPRIATE SUPPORTING EVIDENCE IF YOU ARE AMENDING A PRE-POPULATED CLAIM FORM OR A NEW CLAIM FORM, MUST BE RETURNED TO JOHN MCPHAIL OF THOMAS MILLER, 90 FENCHURCH STREET, LONDON, EC3M 4ST, TELEPHONE + 44 (0) 20 7204 2308, FAX +44 (0) 20 7283 8006, EMAIL john.mcphail@thomasmiller.com AS SOON AS POSSIBLE AND BY NO LATER THAN 5PM GREENWICH MEAN TIME ON 23 OCTOBER 2012.

For each claim arising under a Policy, in relation to which you are a Scheme Creditor, please review the contents of the pre-populated Claim Form sent to you or if you have not received a pre-populated Claim Form and believe you have a Scheme Claim please complete Part 1 and Part 2 of this Claim Form following the instructions on the following pages. **You should read the instructions carefully.** The numbers in the brackets correspond to the numbered instructions contained on the preceding pages of this form. **Use photocopied pages as required.**

SCHEME CLAIMS ARISING AGAINST THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION (BERMUDA) LIMITED AS AT 20 AUGUST, 2012 CURRENCY:US DOLLARS			
Policy Year	(1) Gross Notified Outstanding Claims	(2) Non-OD IBNR	(4) Total ((A) +(B) +(C))
Pre 2003			
2003			
2004			
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			
OD IBNR Claims (3)(C)			
Totals	(A)	(B)	

SEE THE PRECEDING PAGES FOR INSTRUCTIONS FOR COMPLETION OF THE CLAIM FORM

The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited

SCHEME CREDITORS FORM OF PROXY

***Words and phrases defined in the Scheme of Arrangement shall have the same meaning in this Form of Proxy**

IN THE MATTER OF
THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION (BERMUDA) LIMITED

AND
IN THE MATTER OF THE COMPANIES ACT 1981

FORM OF PROXY OF SCHEME CREDITORS

To be used at the Scheme Meeting of Scheme Creditors ("the Scheme Meeting") of The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited (the "Company") to be held at Hotel Le Bristol Paris, 112 Rue Du Faubourg Saint-Honoré, 75008, Paris France on Monday 29 October 2012 at 9.10 am (Central European Time).

PART A

I/We
(enter the name of the Scheme Creditor, including all former names)

of
(enter the address of the Scheme Creditor)

being a Scheme Creditor of the Company (i) whose Scheme Claim is listed on a Claim Form submitted by the Company and agreed by the Scheme Creditor, or ii) who has completed or amended a Claim Form accompanies this Form of Proxy, **HEREBY APPOINT** the Chairman of the Scheme Meeting or _____ as my/our proxy to act for me/us at the Scheme Meeting for the purpose of considering and, if thought fit, agreeing (with or without modification) to the Scheme of Arrangement referred to in the notice summoning the Scheme Meetings (the "Scheme"), and at such Scheme Meetings, or any adjournment thereof, to vote for me/us and in my/our name for or against the Scheme (with or without modification, as my/our proxy may approve) as hereinafter indicated.

If you wish to vote for the Scheme, sign in the box marked "FOR". If you wish to vote against the Scheme, sign in the box marked "AGAINST". If you wish to give your proxyholder a discretion to vote for or against (or to abstain) at the Scheme Meeting you should sign the box marked "PROXYHOLDER'S DISCRETION". If you do not sign in either the box marked "FOR" or the box marked "AGAINST" or the box marked "PROXYHOLDER'S DISCRETION" this form will not operate as a valid appointment of your proxy at the Scheme Meeting of the Scheme Creditors.

FOR the Scheme	AGAINST the Scheme	PROXYHOLDER'S DISCRETION
Signature	Signature	Signature

To be valid, this form must be signed by the creditor in person (if an individual) or by a duly authorised individual if the creditor is a corporation. When completed please return this form to The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, post to care of Thomas Miller attention John McPhail, 90 Fenchurch Street, London, EC3M 4ST or by fax at[+44 (0) 20 7204 2308 or email to john.mcphail@thomasmiller.com by 5pm Greenwich Mean Time on 23 October 2012 .

Notes and Instructions for the completion of Proxy

The Form of Proxy must be completed by a Scheme Creditor or its duly authorised agent or representative and returned to The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited, by post to care of Thomas Miller attention John McPhail, 90 Fenchurch Street, London, EC3M 4ST or by fax at +44 (0) 20 7204 2308 or email to john.mcphail@thomasmiller.com by 5pm Greenwich Mean Time on 23 October 2012 i.e. no later than three business days before the Scheme Meeting. If a Form of Proxy is returned by fax or email, it is within the discretion of the Company to request an original proxy form be submitted no later than three business days after the Scheme Meeting. The amount appearing on the Claim Form sent to the Scheme Creditors by the Company, unless otherwise agreed by the Company and the Scheme Creditor, will be the amount of a Scheme Creditor's claim against the Company which the Chairman of the Scheme Meeting will accept for voting purposes unless a Scheme Creditor who does not agree with the amount appearing on the claim form as the amount of their claim against the Company or who has not received a Claim Form from the Company contacts the Company at the address appearing on the Form of Proxy, provides a completed Claim Form on or before the relevant Scheme Meeting attaching such reasonable information as will allow the Chairman of the Scheme Meeting to place a just estimate on the value of the Scheme Claim for voting purposes. If a Scheme Creditor provides a Claim Form to the Company on or before the Scheme Meeting, the Chairman shall consider the Claim Form and any supporting information provided by the Scheme Creditor together with the information available to the Chairman from the existing records of the Company and will make a just estimate of the claim for voting purposes only.

The conduct of the Scheme Meeting is at the discretion of the Chairman. If a Scheme Creditor proposes to attend a Scheme Meeting in person you should complete the Form of Proxy and return it to the Company by the date above to allow time for the Chairman to evaluate your claim. Note that corporations, if they wish to vote at the Scheme Meeting, must do so by proxy or duly authorised representative. If a Form of Proxy is completed by an agent or duly authorised representative of a Scheme Creditor, the Company will require evidence at or before the Scheme Meeting that the representative or agent is duly authorised to sign the form on behalf of the Scheme Creditor.

If you do not wish to attend the Meeting, you may appoint the Chairman of the Scheme Meeting or some other person as your proxy. If you appoint the person other than the Chairman of the Scheme Meeting as your proxy in order to represent you, that person must attend in person at the Scheme Meeting.

It is particularly important that you sign the Form of Proxy. If you wish to vote for the Scheme, sign in the box marked "**FOR**". If you wish to vote against the Scheme, sign in the box marked "**AGAINST**". If you wish to give your proxyholder a discretion to vote for or against (or to abstain) at the Scheme Meeting you should sign the box marked "**PROXYHOLDER'S DISCRETION**".

Scheme Creditors must complete the Form of Proxy and if the amount claimed for voting purposes differs from the amount on the Claim Form sent to them by the Company or if they have not received a Claim Form from the Company, then the Scheme Creditor must contact the Company at the address appearing on the Form of Proxy and complete a Claim Form and provide such supporting information as is appropriate to enable the Chairman to evaluate their claim.

Claims of Scheme Creditors are evaluated for voting purposes as at the Valuation Date being the 20 August 2012.