

News Release

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OIC RUN-OFF LIMITED AND THE LONDON AND OVERSEAS INSURANCE COMPANY LIMITED RAISE PAYMENT TO 45%

Following a review of the latest financial position the Scheme Administrators of OIC Run-Off Limited (formerly The Orion Insurance Company PLC) (“OIC”) and The London and Overseas Insurance Company Limited (“L&O”), Dan Schwarzmann and Paul Evans of PricewaterhouseCoopers, have set a revised payment percentage of 45%. This represents an increase of 3% on the present payment level of 42%.

The revised payment percentage means that Scheme creditors who have received a payment of 42% of their established liabilities will receive an additional payment within 90 days. Policyholders whose claims are yet to be established in accordance with the Schemes of Arrangement will receive payment as and when OIC and L&O’s liabilities to them are established. Established liabilities covered by the arrangement between The Institute of London Underwriters (“ILU”) and the Nationale-Nederlanden Overseas Finance and Investment Company Unlimited (“Nat-Ned”) will continue to be paid in full in accordance with the specific arrangements within the Schemes of Arrangement.

OIC and L&O continue to operate their strategy, which under the Schemes of Arrangement, is to run-off claims in the ordinary course of business. However, proposals are currently being drafted with a view to issuing Amending Schemes of Arrangement, which will detail a crystallisation and payment process of all claims.

ENDS

Notes to Editor:

1. Omni Whittington Insurance Services Limited (“Omni”), the run-off management company for OIC and L&O, will be processing the additional payment during March 2005. Any queries surrounding claims’ agreement and payments should be directed to Omni on 020 7423 5309.
2. OIC and L&O’s Scheme of Arrangement became effective on 7 March 1997.
3. The initial payment level was set at 15% in October 1997.

Notes to editor continue...

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4. By the end of December 2004, OIC and L&O had paid US\$ 156 million to Qualifying ILU Policyholders in respect of established liabilities covered by the ILU/Nat-Ned arrangements and US\$ 283 million to the other Scheme Creditors with established liabilities.
5. PricewaterhouseCoopers (www.pwc.com/uk) provides industry-focused assurance, tax and advisory services for public and private clients. More than 120,000 people in 144 countries connect their thinking, experience and solutions to build public trust and enhance value for clients and their stakeholders.

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