



News release

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Pages 2

OIC Run-Off Limited and The London and Overseas Insurance Company Limited – announcement of a further increase to payment percentage and an update with regard to the scheme closure proposals

Dan Schwarzmann, partner at PwC and joint scheme administrator of OIC Run-Off Limited (OIC) (formerly The Orion Insurance Company Plc) and The London and Overseas Insurance Company Limited (L&O), is pleased to announce a revised payment percentage of 57% has been set. This represents a further increase of 2% on the previous payment percentage.

Dan Schwarzmann said:

“Creditors who have received a payment of 55% of their liabilities established under the scheme of arrangement will receive an additional 2% payment within 90 days. Policyholders whose claims are yet to be agreed will receive payment as soon as OIC and L&O’s liabilities to them become established.

“Established liabilities covered by the arrangement between Nationale-Nederlanden Overseas Finance and Investment Company Unlimited (NNOFIC) and The Institute of London Underwriters (ILU) will continue to be paid in full in accordance with the specific arrangements within the scheme of arrangement.”

With regard to the scheme closure proposals, following the market letter issued to creditors in July 2012, Dan Schwarzmann commented:

“Discussions are continuing with stakeholders on a small number of matters and I hope these will be finalised in the near future. Following their resolution, and subject to FSA approval, it is anticipated that the Practice Statement letter relating to a proposal for an amending scheme of arrangement should then be issued in early 2013.”



ENDS

Notes for editors

1. By the end of December 2011, OIC and L&O had paid US\$212 million to Qualifying ILU Policyholders in respect of established liabilities covered by the NNOFIC/ILU arrangements and US\$581 million to the other scheme creditors with established liabilities.
2. OIC and L&O's existing Scheme of Arrangement became effective on 7 March 1997.
3. OIC was previously known as 'The Orion Insurance Company Plc'.
4. The initial payment level was set at 15% in October 1997.
5. Armour Risk Management Limited ("Armour"), the run-off management company for OIC and L&O, will be processing the additional payment during November/December 2012. Any queries surrounding claims' agreement and payments should be directed to Armour on +44 (0)20 7382 2020.

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