

The Bermuda Fire & Marine Insurance Company Limited (in liquidation)

(“BFMIC”)

NOTICE UNDER THE SCHEME

NOTICE IS HEREBY GIVEN that following approval of an Amending Scheme of Arrangement dated 15th April 2004 (the “Scheme”) by the requisite majorities of BFMIC’s Scheme Creditors under Section 99 of the Companies Act 1981 of Bermuda and Section 425 of the Companies Act 1985 of Great Britain, sanction by the Bermudian and English Courts and the making of a permanent injunction order (“the Section 304 Order”) under Section 304 of the United States Bankruptcy Code by the US Bankruptcy Court, the provisions of the Scheme became effective on 25th June 2004 (the “Amending Scheme Effective Date”).

As stated in the Scheme, the Bar Date for the purposes of the Scheme is 11:59 pm Greenwich Mean Time on 29th September 2004. Unless they have agreed the quantum of their claim with the Liquidators under Part 2 of the Scheme before the Bar Date, **Scheme Creditors MUST submit a Claim Form and full Supporting Information to the Liquidators** in accordance with Part 8 of the Scheme, **so as to be received by them before the Bar Date**. Scheme Creditors who do not make such a submission before the Bar Date will not be entitled to receive any payments under the Scheme in respect of Scheme Claims which are not already established at the Amending Scheme Effective Date.

The rates of interest to be used by the Liquidators in determining the net present value of future Scheme Claims (including outstanding losses and IBNR) in accordance with the Estimation Methodology, based on the US Treasury bond yields published in the Financial Times on 2nd April 2004, range from 1.0% to 5.3% for claims which would become payable in 2004 and 2022 (or later years) respectively. A schedule of the rates of interest applicable to each year from 2004 to 2022 and beyond is available in the “Documents” tab of the BFMIC website www.bfmic.bm or in hard copy from the BFMIC Creditor Helpdesk at John Stow House, 18 Bevis Marks, London, EC3A 7JB, United Kingdom or by email from creditor.helpdesk@bfmic.bm.

If you are a Scheme Creditor or believe yourself to be a Scheme Creditor of BFMIC and have not received by 30th July a letter dated 16th July 2004, including a notice in the form of this advertisement please contact the Liquidators as soon as possible by email at liquidator@bfmic.bm or in writing to the BFMIC Liquidators at John Stow House, 18 Bevis Marks, London, EC3A 7JB, United Kingdom.

By the Section 304 Order, the Scheme has full force and effect under United States law and is binding on and enforceable against all Scheme Creditors in the United States that have claims against BFMIC, which claims are covered by, or afforded treatment under the Scheme. Specifically, pursuant to the Section 304 Order, Scheme Creditors are restrained from taking actions against BFMIC, and parties are enjoined from relinquishing or disposing of property of BFMIC, except as explicitly provided in the Scheme. You are hereby given notice of this Order, copies of which are available from www.bfmic.bm.

For communication purposes, the Scheme permits the Liquidators to treat those acting on behalf of Scheme Creditors in the ordinary course (“Representatives”) as being fully authorised to represent the Scheme Creditor concerned. Accordingly, unless informed by the relevant Scheme Creditor in writing to the contrary, where the Liquidators have previously been authorised by a Scheme Creditor to make payments to Representatives or others they intend to correspond with and make payments under the Scheme to those other parties.

If you have any queries in connection with this Notice please contact the BFMIC Creditor Helpdesk at the above address. Copies of the documents referred to above are also available from www.bfmic.bm.

John Christopher McKenna
Gareth Howard Hughes
BFMIC Liquidators

16th July 2004