

Re: Creation of LV= Broker Division

As one of our brokers, I know that the coming together of ABC Insurance and Highway will be of great interest to you. This letter is to let you know our plans.

Firstly, to put your mind at rest, we are going to retain and invest in all of our brands and products. We believe that this will help you to offer value and choice to your customers.

However, although we will have several consumer brands we will manage ourselves as one business, LV=. LV= is a rapidly growing force in the insurance market. We expect to write over £700 million of premium income next year.

I will run the broker part of LV=, which we will call *LV= Broker Division*. The business will have two units: Personal Lines and Commercial Lines. These units will be supported by central Claims, Operations, Marketing and Agency teams.

Commercial Lines will be headed up by Mike Crane. In addition to ABC's rapidly expanding commercial business Mike will take responsibility for Highway's Fleet, Motor Trade and Hire & Reward areas. Over a period of time all of these commercial products (ABC's and Highway's) will be unified under the LV= brand.

We have big ambitions for this area. We have already started to look at how we can distribute our Motor Fleet product through our commercial branch network and will be looking to develop and extend our commercial product range during 2009.

Personal Lines will be headed by me, in addition to running the overall LV= Broker Division, drawing on the time when I ran NIG's Personal Lines Division before I became their MD. We will retain the ABC brand. In addition to our highly successful ABC Car product, our plan is to deliver an extended personal lines product range to you.

Highway personal lines products will retain their own rating structures, brand and underwriters. We have big plans for motorcycles and vans, and I am also keen that we work with brokers to find ways that we can underwrite the more difficult to place element of your car business. This doesn't mean that Highway is going to desert the mainstream car market, it's not, expect this to grow.

Michael Lawrence will be Director of **Sales** for our combined Personal Lines business. Peter Gallagher will be Group **Claims** Director. Kevin Gill will be responsible for **Operations**, John Robson for **Agency** and Anna Peak for **Marketing**.

It will take a little while for us to put these new structures in place, so please, for the time being, continue to work with us on a business as usual basis until we advise otherwise. I will keep you updated on progress over the coming months.

2009 will be an exciting time for LV=. I look forward to working with you. Thank you for your continued support.

Yours sincerely



Phil Bunker
Managing Director, LV= Broker Division



69 Park Lane, Croydon, CR9 1BG • Tel: 0845 640 5100 • Fax: 0845 640 5150