

INVITATION TO LODGE A CLAIM: TIME LIMITS TO BE OBSERVED

To all known Creditors, Policyholders and Brokers

5 July 2006

THIS LETTER AND ITS ENCLOSURES ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BROKER OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

Dear Sirs

**AA Mutual International Insurance Company Limited
(In Administration and Scheme of Arrangement)**

I am pleased to advise you that at Meetings of Scheme Creditors held on 26 April 2006 the Scheme Creditors of AA Mutual International Insurance Company Limited voted overwhelmingly in favour of the insolvent Scheme of Arrangement ("the Scheme"). A full copy of the Scheme document is available to download from the website located at www.pwc.com/uk/aamii. Should you require a paper copy of the Scheme document, please contact Caroline Turnbull at the above address. For the sake of consistency, defined terms used in the Scheme are also used in this letter.

It came to the attention of the Administrators shortly before the Meetings of Scheme Creditors that there is an inconsistency between the Explanatory Statement and the Scheme, in that the Explanatory Statement states that "no Claim by a Scheme Creditor shall take into account matters arising, or claims reported, or events occurring after the Ascertainment Date" which is 30 June 2004, and the Scheme does not (the full details are contained in the first sentence of the second paragraph at section 11 on page 22 of the Explanatory Statement).

In the circumstances, the Administrators have decided that this sentence is not appropriate and have therefore decided to remove this sentence from the Scheme documentation. This amendment was drawn to the attention of the Scheme Creditors who attended the Meetings of Scheme Creditors and also the Court at the sanction hearing.

The Scheme was subsequently sanctioned by the High Court and became effective on 22 June 2006 ("the Effective Date"). A copy of the notice of the Effective Date is enclosed for your ease of reference. Nigel Rackham and Dan Schwarzmann have been appointed Scheme Administrators. Please note that all Scheme Creditors are now bound by the provisions of the Scheme.

What should Scheme Creditors do now?

In accordance with the terms of the Scheme, Scheme Creditors must now complete and submit a Claim Form so as to reach the Scheme Administrators on or before the Final Claims Submission Date.

The Final Claims Submission Date is 23:59 London time on 23 October 2006. If a Scheme Creditor fails to submit a properly completed Claim Form so as to reach the Scheme Administrators by the Final Claims Submission Date, his Claim, if any, will be valued at zero.

Scheme Creditors who submitted a Voting Form at the Meetings of Scheme Creditors on 26 April 2006 had the opportunity to elect for the information provided on their Voting Form to constitute the basis of their Claim in the Scheme. If you made such an election then your Voting Form will be used as your Claim Form and you are not required to submit a separate Claim Form in order to make a Claim in the Scheme.

A copy of the Claim Form is enclosed with this letter for your convenience, however further copies may be downloaded from the website www.pwc.com/uk/aamii or requested from the Joint Scheme Administrators at the above address. Please read the instructions carefully when completing your Claim Form.

Please note that under the terms of the Scheme, all claims must be converted into either US Dollars or GBP using the rates of exchange set out in the currency conversion table enclosed with this letter. If your claim is in a currency not shown in the table, please contact the Joint Scheme Administrators at the above address.

Correspondence

All correspondence should be addressed to AA Mutual International Insurance Company Limited, c/o PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT and marked for the attention of Caroline Turnbull.

Should you have any queries regarding this letter or the action you are required to take, please contact Caroline Turnbull at the above address, or via e-mail at caroline.j.turnbull@uk.pwc.com.

Yours faithfully

for and on behalf of AA Mutual International Insurance Company Limited



D N Rackham
Joint Scheme Administrator

Enclosures 3

Nigel Rackham and Dan Schwarzmann have been appointed as joint administrators of AA Mutual International Insurance Company Limited to manage its affairs, business and property as its agents. Both are licensed to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.