

Munich Re Group in Canada

FREQUENTLY ASKED QUESTIONS

1. What changes have occurred in underwriting responsibility?

Following an extensive review of the Canadian operations after the acquisition of the HSB Group on April 1, 2009, effective immediately Temple will assume, at renewal, the in-force property insurance portfolio of BI&I. In return, BI&I will assume Temple's direct Equipment Breakdown (EB) portfolio and provide EB reinsurance to Temple on combined placements.

Through the Canadian broker network, Temple will continue to write Property, Construction and Combined placements, while BI&I will focus primarily on mono-line Equipment Breakdown insurance, in consideration of their respective centres of excellence.

2. Why was this done?

Through the Post Merger Integration analysis project, MR Canada and BI&I have reviewed their respective various insurance products offered and their strategic fit within the overall capabilities of Temple and BI&I. The review concluded:

- Temple is the centre of excellence and expert in primary Property and Liability insurance.
- BI&I is the centre of excellence and expert for Equipment Breakdown insurance and reinsurance.

As such, in order to maximize client satisfaction and needs, Temple is best positioned to write primary Property and Construction insurance for Canadian clients, and BI&I is best positioned to write EB insurance and reinsurance for Canadian clients.

3. When will this be effective?

Existing BI&I's in-force Property and Temple's EB renewals will begin to be transferred effective December 31, 2009. On any new business opportunities the above will be effective immediately.

4. Has Temple's Property focus changed?

Temple's target market remains unchanged:

"Specialty" accounts requiring "dedicated" Property and Course of Construction underwriting and engineering (excluding oil & gas).

- Industrial and Commercial Property (including Completed Civil Engineering Risks); and
- Large Course of Construction projects.

However Temple will write the Property exposures of an account where it is necessary to preserve / secure a B&M placement written by BI&I.

5. What impact will there be on the existing BI&I renewal portfolio with the transfer to Temple?

Each BI&I renewal will be underwritten in a manner that has been consistent with the history of the account and commensurate with the circumstances of the present situation.

Every effort will be made to renew each account on the same wording to which the client has been accustomed, subject to the underwriting circumstances of the present situation.

6. Who are the main contacts?

To ensure a seamless transition of the BI&I property portfolio to Temple, Rob West, Assistant Vice President (BI&I Toronto) and Samia Bazerghi, Senior Underwriter (BI&I Montreal) will oversee and underwrite the BI&I property portfolio for Temple.

Rob and Samia will also co-ordinate with BI&I the reinsurance for Temple on the Equipment Breakdown portion of the transferred portfolio.

7. Will there be changes in engineering/inspection services?

For BI&I Property renewals, every attempt will be made to maintain the level of service to which the client is accustomed. Both BI&I and Temple are committed to providing high quality engineering services in order meet clients needs.

8. Who will be handling future claims and who are the contacts?

During the transition year, BI&I policies in runoff will be serviced via BI&I for claims. Accounts renewed by Temple will be serviced by the claims department of Temple.