



**The Boiler Inspection and Insurance Company of Canada**

250 Yonge Street, Suite 3000, Toronto, Ontario, Canada M5B 2L7  
Tel: (416) 216-7222 Fax: (416) 363-0538 hschols@biico.com www.biico.com

April 1, 2009

TO: BI&I Clients

Munich Re announced April 1<sup>st</sup> that its acquisition of HSB Group, Inc., including The Boiler Inspection and Insurance Company of Canada, was successfully completed. BI&I is now officially a part of the Munich Re family.

We are very pleased to be joining such a successful and world renowned organization. Our partnership with Munich Re will create new opportunities for BI&I to grow our businesses. Munich Re is a perfect fit for HSB and BI&I; we share many core values, such as commitment to sound and responsive underwriting, top-tier products, technical excellence and outstanding client service.

Combining forces with Munich Re will enable BI&I to offer our clients exceptional advantages, including:

- Outstanding financial strength and security;
- Continued unsurpassed equipment breakdown capabilities, underwriting expertise and engineering support; and
- In the future, a broader range of specialty insurance products and services and innovative insurance and risk management solutions that respond to your clients' changing needs.

HSB Group will now operate as a standalone business reporting to Munich Re America. Doug Elliot, President and CEO of HSB Group, will report to Tony Kuczinski, President and CEO of Munich Reinsurance of America, Inc. I will continue to report to Doug Elliot. BI&I will retain our brand name, experienced management team, skilled staff, product and service offerings and successful business model.

In the coming weeks and months, BI&I and Munich Re will explore how our combined strengths and capabilities can provide our clients with greater value.

Thank you for all the support you have given us in the past and for your continued, future partnership. We truly appreciate it.

Sincerely,

A handwritten signature in black ink that reads "Hans Schols". The signature is written in a cursive, flowing style.

