

Circular

CIRCULAR TO ALL MEMBERS

Ref: 2009/05

Dear Sirs,

RULES OF THE ASSOCIATION 2010/2011

During 2009 the Association's Directors considered that a review of the Association's Rules was warranted in order to make the Rules clearer and more suited to the current needs of the Membership. Having undertaken this review the Directors have concluded that it is now appropriate to recommend a revised set of Rules to the Membership for consideration.

It is however stressed that this review focused on the clarity of the Rules and modernising them without altering the breadth of cover presently offered nor how the cover operates in practice.

A copy of the revised Rules ("the revised Rules"), together with a commentary is attached hereto as Appendix A. The commentary highlights material changes between the revised and the current Rules.

It will be noted from the attached that the revised Rules have been re-arranged into sections relevant to the category or issue with which any particular Rule is concerned. The revised Rules are structured to deal first with the nature of cover and how the cover operates, before moving into other areas such as issues relating to underwriting and the finances of the Association. Certain words within the revised Rules have been highlighted in **bold** type, which indicates that they are defined terms.

Importantly the types of claims that are capable of being covered have not been materially amended, but the wording has been revised in places to use terms which more adequately reflect modern business practices. In addition the revised Rules do not alter how the cover operates and cases will continue to be considered for support by the Managers and the Directors as appropriate. The revised Rules will also contain what will now be known as "Practice Recommendations". These are updated versions of previously released circulars relating to the conduct of claims, and include guidance on the factors that may be taken into account by the Managers or the Directors when considering support for a particular case.

P.T.O

The revised Rules are to be considered by the Membership at an Extraordinary General Meeting to be held on 21st January, 2010. If approved, the Rules will take effect from 20th February, 2010.

If any Members have any questions concerning the revised Rules they should contact the Managers.

Yours faithfully,

THOMAS MILLER DEFENCE LTD
Managers