

Date – 19/11/2015

Dear Mr. Langhorn,

With reference to our previous telephone conversation, we wish to advise that the details of Gable Insurance AG reinsurance agreements are strictly confidential, however, we are prepared to advise that Gable Insurance AG have arranged a quota share reinsurance contract that shares the risks underwritten by Husejernes Forsikring on Gable Insurance behalf with a first class reinsurer. Husejernes Forsikring works very closely with both Gable Insurance AG and their reinsurers. We can advise that this reinsurance contract provides protection to Danish policyholders to make claims directly to reinsurers in the unlikely event of Gable Insurance AG going into bankruptcy for the proportion of the cession of the reinsurance contract. We trust it is appreciated that the likelihood of both Gable Insurance AG and their reinsurers going into bankruptcy simultaneously is very unlikely.

It should be noted that Gable Insurance AG is a financially strong insurance company listed on the AIM London Stock exchange and is authorized to conduct insurance business throughout the whole of Europe including Denmark by the financial authorities of Lichtenstein, who operates to the similar standards of the Danish financial authorities. Gable insurance AG have settled thousands of legitimate claims to many satisfied policyholders.

A comparison between Gable Insurance AG reinsurance agreements and the Danish Guarantee Foundation for Non-life Insurance Companies is quite complex – maybe too complex to be meaningful. The Danish Guarantee Foundation has limited capital of DKK 300 million to guarantee all valid personal line insurance claim at the time of the Danish insurer going into bankruptcy, and will not allow change of ownership insurance holders, who do not have an actual loss at the point in time of the bankruptcy (or 4 weeks after), to enter into a new insurance with another insurance company. The reinsurance agreement arranged by Gable Insurance AG is specific to change in ownership insurance and is not capped to DKK 300 million and applies to all policy holders, who have a legitimate claim on policies that were written by Gable Insurance AG should bankruptcy occur. We would like to add that if Gable Insurance AG had the opportunity to join the Danish Guarantee bankruptcy fund it would be pleased to do so, but the Danish Financial authorities do not allow any foreign insurers to become members of this fund.

**Gable Insurance AG**

Registered Office Pflugstrasse 20 LI-9490 Vaduz Liechtenstein

Registered at the Public Register in Vaduz under FL-0002.161.375

Regulated by the Liechtenstein Financial Market Authority

A member of the Liechtenstein Insurance Association

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Gable Holdings Inc

Gable Insurance AG

Gable Services (London) Limited

G A B L E

There are many European insurance companies operating in Denmark offering personal lines insurance to the Danish public. With this in mind, forthcoming legislation by the European Union has been put in place with effect from 1<sup>st</sup> January 2016 under which all insurance companies operating under a licence from a European Financial authority is required to operate in accordance with Solvency II standards, which considers solvency requirements, risk management requirements and is specifically aimed to protect the consumer throughout Europe.

Best regards



William A Dewsall  
President of the Board



Mark Fairman  
General Manager

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