

News Release

Insurance Warning Issued

Lloyd's seeks injunction in Ontario

(Lloyd's press release dated September 3, 2004)

The Ontario Superior Court has granted an injunction to The Society of Lloyd's and Nicholas Smith, Attorney in Fact in Canada for Lloyd's Underwriters against Ian Stuart Smith also known as Ian Stuart, Ian Stewart, Ian Smith, John Harris, John Harrington, Surplus Lines Inc., Heritage International Inc., KRL Enterprises Inc., KRL Enterprises Ltd. and John Harris in Court File No. 04-CV-267436CM1. The order provides, in part, as follows:

"This court orders that the defendants cease and desist from in any manner, directly or indirectly, purporting to bind policies of insurance with Lloyd's Underwriters or a Lloyd's syndicate(s) pending further order of this court. For purposes hereof, the defendant Ian Stuart shall not hold himself out as anyone other than Ian Stuart pending further order of this court."

In July 2002, Lloyd's published notice that certain of the above individuals and entities have no authority from Lloyd's to represent Lloyd's, to act on behalf or to directly place insurance in the Lloyd's insurance market. The notice also referred to an Order of the Court of Queen's Bench in Saskatoon that Ian Stuart Smith, or any corporation of which he is the directing mind, be prohibited from holding himself out as acting for any insurance company unless he has specific written authority from such company to do so.

Subsequent to that notice, Lloyd's has been advised that some parties in Canada and the United States have or may have purchased purported insurance products on the basis of representations made by these individuals and entities about their authority from Lloyd's or Lloyd's syndicates. Lloyd's has also drawn this matter to the attention of insurance regulators in Canada and the United States, including the Insurance Council of Saskatchewan, the Registered Insurance Brokers of Ontario, the Financial Services Commission of Ontario, the New York Department of Insurance, the California Department of Insurance, and the United States Department of Justice.