NOTICE TO SHAREHOLDERS

GHL Finalizes Sale of Its Lloyd’s of London Business

Guardian Holdings Limited (GHL) is pleased to announce that both the Governing Council of Lloyd’s and the United Kingdom’s Financial Services Authority have approved the sale of Jubilee Group Holdings Limited (JGHL) to Ryan Specialty Group, LLC. The formal closing of the sale therefore took place on September 23, 2011 with the approval of these two regulators.

As previously announced the sale of JGHL’s shares will immediately net GHL approximately TT$140 million in cash and add to this year’s earnings per share. In addition to the proceeds from the sale of shares, GHL has approximately TT$308 million in capital committed to the underwriting of JGHL’s business. These funds will flow back to GHL over the next four years as the risks associated with this business run off. The final amount of this underwriting capital to be repatriated will be dependent on the level of profits, or losses, associated with this business. The various internal and external actuaries, who have analyzed this business, believe that sufficient loss reserves have been established so that GHL expects the return of most, if not all, of these funds.

The sale of JGHL fulfills a number of strategic objectives for GHL. One, having now fully returned to its Caribbean roots, the proceeds from the sale will be used to support the organic growth of its existing companies and will also be available for future acquisitions across the region. Two, given GHL’s strong risk management culture and desire to deliver stable and growing earnings to its shareholders, the sale of JGHL reduces GHL’s exposure to world-wide catastrophic events. 2011 is already the highest ever loss year for catastrophic events in the history of the insurance business. This has continued a trend of a higher frequency of severe events. The sale of JGHL will dramatically reduce GHL’s exposures to non-Caribbean catastrophe events and their concomitant negative effect to earnings.

GHL can trace its participation at Lloyd’s back to 2002 when it acquired NEMWIL, which in turn owned a Lloyd’s Corporate Member through which a moderate underwriting commitment had been made. GHL’s participation in the Lloyd’s market was increased when it acquired a 40% interest in Appleclaim Limited and Jubilee Managing Agency Limited, while further supporting the expansion of its underwriting and distribution business. Appleclaim was later rebranded Jubilee Group Holdings Limited in 2009. Overall, the return on capital on this business for GHL’s shareholders has been very positive.

Jeff Mack
Group CEO
September 29, 2011