

Sterling

Sterling Insurance Company Limited is one of the UK's leading specialist insurers and has insured higher value homes for over 50 years. We have gained an enviable reputation for service and quality, and as a member of the wholly British owned Sterling Insurance Group, we have a long track record of success in the insurance industry.

Sterling is authorised and regulated by the Financial Services Authority. We are also members of The Financial Ombudsman Service and are committed to the principles it embodies as an independent authority for the protection of policyholders' interests.

Quality underwriting

Our underwriters have a reputation for excellent technical expertise and a willingness to seek solutions to individual problems, recognising that special insurance requirements need special attention.

Quality claims service

Our dedicated claims team will ensure that your claim receives priority attention, is fairly and sensitively handled and they will issue our cheque as soon as a settlement has been agreed.

Confidentiality

We promise complete confidentiality and security in all matters relating to your insurance arrangements, which will be handled by an experienced underwriter nominated to look after your needs.

Peace of mind

Our experienced Risk Management Surveyors are available to visit your home to give help and guidance on suitable security measures. They can also give advice on practical steps to protect your home from fire, extreme weather conditions or whilst you are away from the home for long periods.

Our surveyors are experienced in all aspects of domestic security and fire prevention, and as direct employees of the Company, they will ensure that confidentiality of all matters discussed is maintained at all times.

Tailor-made cover for your home

Your home is probably one of the largest investments you will ever make. As a discerning home owner, you will want to ensure that it is properly protected.

We have developed Executive Home specifically to meet the needs of those home owners who, like yourself, have special insurance requirements. It is a unique household policy that automatically provides worldwide protection. It has been designed so that it can be tailored to suit your particular circumstances, ensuring that your property is fully covered against most mishaps. This cover is only available from a select group of professional advisers chosen by Sterling.

Provided the overall contents of your home are worth £50,000 or more, Executive Home is for you.

This prospectus summarises the wide protection and benefits available with Executive Home. More detailed information is contained within the enclosed Policy Summary or you can ask for a copy of the policy which is available from Sterling or your professional insurance adviser.

Executive Home

Hallmark - a sign of quality

Executive Home carries a hallmark as its concept design. We chose a hallmark as it is a sign of quality control, integrity and efficiency. Hallmarking is the world's first known example of consumer protection and dates back to about 1300 AD. Executive Home's own unique hallmarks represent peace of mind that the product you have chosen is one of the best.

In the UK a hallmark consists of 3 compulsory marks which give you:

- Who made the article (in this case Sterling Insurance 'SI')
- Its guaranteed standard of fineness (represented by 925)
- And the Assay Office mark (in the case of Executive Home this is represented by the Sterling lion)
- Our Executive Home 'hallmarking' is completed with 'e' for Executive Home.



Assistance with the cost of valuations

We are well aware of how easy it can be to allow sums insured for homes and possessions to fall behind their current values.

Obtaining professional valuations is considered by many to be a time-consuming, costly and potentially security compromising business. However, valuations and inventories are invaluable in the event of a claim, enabling accurate and speedy settlements to be made.

To assist our Executive Home policyholders, we have negotiated discounted fees with leading independent firms of specialist valuers and fine art consultants.

- Andrew Acquier
- Gurr Johns
- Seymour's
- Quastel Associates Ltd

Please also refer to our 'Valuation Guide' enclosed with this Prospectus.

Homesitters

Homesitters Limited have been providing a live-in 'caretaking' service for over 25 years. Their direct employees are meticulously vetted and enable you to leave your home knowing that your property and indeed your pets, are well cared for and protected.

We have negotiated a discounted fee for Executive Home policyholders who utilise Homesitters' services and in addition, you will also receive a discount off your premium when you renew your policy.

Unique benefits

The following benefits are available exclusively to you as an Executive Home policyholder. Provided contents cover is selected, they will be included automatically.

Capita Assistance Road Rescue

A comprehensive motoring breakdown and recovery service throughout UK and Europe.

This provides cover following a breakdown or accident for:

- roadside repairs
- recovery to local garage if roadside repair is not possible
- policyholder and spouse whilst driving any vehicle (provided policy is in joint names)
- cost of alternative road or rail transport following illness or injury to driver
- home service
- European motoring assistance

Plus additional costs if the local garage are not able to effect repair within 24 hours for:

- alternative road or rail transport
- or emergency overnight hotel accommodation
- or hire car for maximum of two periods of 24 hours
- or recovery of vehicle and passengers to any destination

Pet Insurance

Up to three pets (dogs or cats or a combination of both*) are covered for

- vet's fees of up to £1,250
- death from illness or accident up to £500
- theft or straying up to £500
- reimbursement for advertising and reward if your pet is lost or stolen, up to £500

**covers dogs aged up to 8 years and cats aged up to 10 years*



Family Legal Protection

Cover for costs and expenses relating to legal proceedings within the UK up to £50,000.

yellowtag™

As a responsible insurer we protect your personal effects against loss.

yellowtag™ is a unique and innovative loss prevention service that, without revealing your personal details, lets the finder contact you anywhere in the world immediately when your lost property is found.

Domestic and Home Emergency Service

In addition to a domestic helpline providing advice, we also offer a Home Emergency Service - we will send a tradesman to your home to fix the problem. We will pay for the cost of the call-out, labour costs, parts and materials up to £500 including VAT.

Legal

Your own helpline to a qualified lawyer with legal help and advice on accidents, consumer rights, family law and many other day to day legal issues.

Glass

A fast glass and domestic frame replacement and repair service arranged utilising a nationwide fleet of mobile glaziers. Provided the repair is covered by your policy the cost will be paid direct by Sterling less the amount of the excess.

Helplines are open 24 hours a day, 365 days a year.



Quality Cover for Contents, Fine Art and Antiques, Jewellery and Watches

The cover is extensive, but listed below are some features that are worthy of note

- precious items can lose value if damaged which is why we pay restoration costs and depreciation in value following partial loss
- unlimited cover for TV's, video recorders, audio and computing equipment
- new purchases of fine art and antiques, jewellery and watches are automatically covered up to 20% of your sum insured
- unlimited cover for freezer contents
- business equipment is automatically covered up to £15,000 and reinstatement of business data is covered up to £5,000
- outdoor items up to £10,000
- students possessions are automatically covered whilst at university or college for up to £7,500
- occupiers' and personal liability cover up to £5,000,000
- wedding anniversary, birthday and other gifts up to £10,000

Professional valuations or original purchase receipts will be required for individual items of fine art and antiques valued at £15,000 or more.

In respect of jewellery and watches, we will need professional valuations for items valued at £5,000 or more.

The cost of fine art and antiques is likely to fluctuate, so we recommend that you review the value of these items regularly.

Minimum sum insured £50,000.

The Art Loss Register

This is designed to aid the recovery of works of art and antiques, jewellery and watches and return them to their rightful owner. As an Executive Home policyholder you will be provided with free membership and any stolen article worth more than £500 can be registered.

Quality cover for Buildings of your home

We offer a wide range of protection for the fabric of your home, and are happy to provide cover for unusual properties, including Listed or graded homes, non-standard construction, such as timber frame and thatched roofs. As a specialist insurer, we understand the need to ensure that properties such as these are adequately insured. There is no minimum sum insured requirement.



Some features of the cover provided are

- cost of tracing water or oil leaks up to £10,000
- reinstatement of landscaped gardens following damage caused by certain perils up to £25,000
- alternative accommodation costs for you and your family in the event of insured damage to your property that requires you to arrange alternative accommodation up to 20% of your buildings sum insured
- architects' and surveyors fees and other costs associated with rebuilding or repairs incurred following loss or damage caused by an insured peril
- property owners liability if you are responsible as owner of the building for injury to others or for damage to their property up to £5,000,000

Important

We strongly recommend that you review your sums insured regularly and seek professional advice when necessary. Please remember that the sum insured is the maximum amount we can pay in settling a claim.

It is therefore important that you make sure that your sums insured are adequate. Your sums insured must represent the full cost of rebuilding your property and replacing your contents, fine art and antiques, jewellery and watches. If your home is a Listed building it may be advisable to seek a professional valuation.

If you need further guidance on how to calculate your sums insured please refer to the enclosed Valuation Guide or contact your professional insurance adviser or Sterling.



Pleasure Craft

If you have a sailing boat, catamaran, power boat, dinghy, sailboard, surfboard, rowing boat or canoe, comprehensive cover can be provided up to £10,000 in value.

An option is also available to include outboard motors, trailers and trolleys.

This cover includes Personal Liability arising from your ownership, possession or use of the craft. In addition, it will also extend to include liability incurred by any other competent person in charge of the craft with your permission. The limit of indemnity for this cover is £1,000,000.

Travel

If annual travel cover is required, please tick the appropriate box on the enclosed proposal form.

Competitive premiums

Our unique method of premium calculation ensures that premiums are competitive, and also our reflects the fact that the Executive Home policy has been developed for people who look after their property and have taken steps to secure their home and possessions.

Policy discounts

A number of policy discounts are available:

- you are required to pay the first £100, referred to as 'the excess'. You can obtain further substantial discounts off your premium if you select a higher excess of £250, £500 or even £1,000
- for improved security, such as locks, alarms, safes, members of neighbourhood watch
- for policyholders (aged 45 or over)
- for policyholders who have been claims free for up to 5 years.

Monthly premium payment

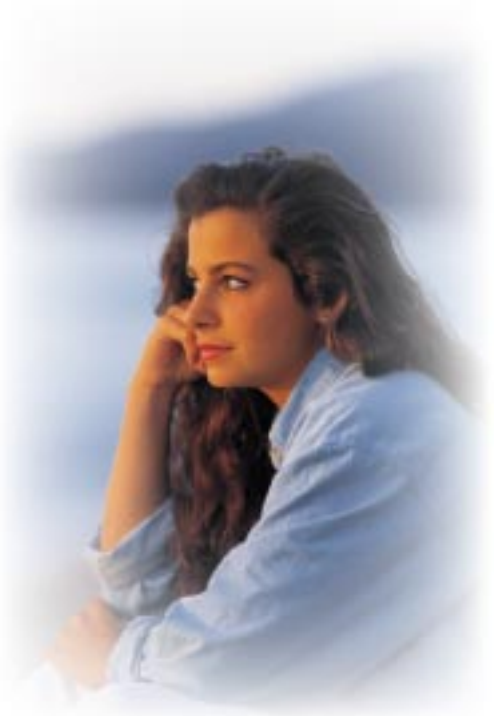
You may pay your premium on a monthly basis by direct debit. Please ask your professional adviser for details.

Promise of Satisfaction

We are confident that our Executive Home policy will bring you complete satisfaction. We promise you an excellent service, flexibility in our underwriting approach, confidentiality, competitive premiums and fast claims settlements.

Our unique method of premium calculation ensures that the cost is tailored to mirror your personal insurance requirements.

However, we will undertake to refund the premium in full if you are not satisfied with the cover provided by your policy, if the policy is returned within 14 days of issue and there has been no claim.



Enquiries

Any enquiry you may have regarding your policy should be addressed either to your professional adviser who arranged the policy for you or to the office of Sterling Insurance Company Limited which issued your policy. Please be ready to provide all relevant details of your policy and in particular your policy number to help your enquiry to be dealt with speedily.