



1 November 2004

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Beazley Group plc ('Beazley')

£105m fully underwritten Rights Issue to support acquisition of US admitted lines insurer and to fund future capital requirements

The Rights Issue

- 4 New Shares for 7 Existing Shares
- Issue price of 84p per share represents a discount of 8% to Beazley's closing price on 29 October, the last business day prior to announcement
- Issue to raise approximately £105m, net of expenses
- Fully underwritten by Numis Securities

Reasons for the Rights Issue

- Funds to acquire and capitalise Omaha Property and Casualty Insurance Company, a US admitted lines insurer, from Mutual of Omaha Insurance Company, subject to regulatory approvals in the US
- Funds to support Beazley's increased participation in its existing underwriting business at Lloyd's; participation of managed Syndicates increased from 54% to at least 70% for 2005
- Sufficient equity funds available to support foreseeable capital requirements

Financial Highlights

- Immediately enhances net assets per share
- Strong dividend commitment, Board expects:
 - Full year 2004 dividend at not less than 1p per share (0.75p at end 2003)
 - Full year 2005 dividend not less than 4p

Commenting, Andrew Beazley, Chief Executive of Beazley said:

"The acquisition of a US admitted lines insurer accelerates Beazley's access to exciting business opportunities throughout the region. Our experienced management team is already in place and we all look forward to building a business that complements Beazley's existing specialist strengths.

The proposed Rights Issue allows Beazley to benefit immediately from the increased share we have obtained for 2005 in the group's continuing underwriting activities at Lloyd's and secures the group's capital requirements for the foreseeable future."

The Rights Issue is conditional upon, amongst other things, shareholder approval which will be sought at an Extraordinary General Meeting of the Company which is to be held at 4.30 p.m. on 17 November 2004

This summary should be read in conjunction with the detailed announcement which follows.

A presentation for analysts will be held at 11.00 a.m. today at the offices of Beazley, One Aldgate, London, EC3N 1AA.

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The Directors of Beazley are the persons responsible for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The contents of this announcement have been approved by Numis Securities Limited for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000.

Numis Securities Limited, which is regulated in the United Kingdom by the Financial Services Authority, is acting for the Company and no one else in connection with the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of Numis Securities Limited or for providing advice in relation to the Rights Issue.

Lexicon Partners Limited, which is regulated in the United Kingdom by the Financial Services Authority, is acting for the Company and no one else in connection with the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of Lexicon Partners Limited or for providing advice in relation to the Rights Issue.

This announcement shall not constitute, or form part of, an offer of, or the solicitation of any offer, to subscribe for or buy any of the New Ordinary Shares to be issued or sold in connection with the Rights Issue. Offers should only be made on the basis of information contained in the Prospectus to be issued in due course in connection with the Rights Issue and any supplements thereto. The Prospectus will contain detailed information about the Rights Issue, Beazley and its management, as well as financial information. The offer of the New Ordinary Shares in certain jurisdictions may be restricted by law and therefore potential investors should inform themselves about and observe any such restrictions.

This announcement and the information contained herein is not for release, publication or distribution in or into the United States, Canada, Australia, Japan or the Republic of Ireland.

Beazley Group Plc

£105 million fully underwritten Rights Issue to support acquisition of US admitted lines carrier and to fund future capital requirements

1. Introduction

Your Board has today announced that it is to raise approximately £105 million (net of expenses) by means of a Rights Issue of up to 131,134,252 New Ordinary Shares at 84 pence per share on the basis of 4 New Ordinary Shares for every 7 Existing Ordinary Shares.

The Rights Issue has been fully underwritten by Numis Securities.

The Issue Price of 84 pence per share represents:

- an 11 per cent. discount to the average closing middle market price of 94.9 pence per Ordinary Share for the six month period ended 29 October 2004, the last business day prior to the announcement of the Rights Issue; and
- an 8 per cent. discount to the closing middle market price of 91.5 pence per Ordinary Share on 29 October 2004, the last business day prior to the announcement of the Rights Issue.

The Rights Issue is conditional upon, amongst other things, Shareholder approval which will be sought at the Extraordinary General Meeting of the Company which is to be held on 17 November 2004.

2. Information on Beazley

The Company is the holding company of the Beazley Group, which includes Beazley Furlonge, a Lloyd's managing agent, Beazley Underwriting, a corporate member of Lloyd's and Beazley USA Services, Inc., ("BUSI") a recently formed US managing general agent.

Beazley Furlonge is the managing agent of Syndicate 623 and Syndicate 2623. Beazley Underwriting is the sole underwriting member of Syndicate 2623. Syndicate 2623 underwrites in parallel with Syndicate 623. Under the parallel syndicate structure, Beazley Furlonge manages Syndicate 623 and Syndicate 2623 as a single underwriting unit. All premiums, claims, expenses and any reinsurance to close of a prior year of account are split between the Syndicates pro rata to each Syndicate's underwriting capacity for the relevant year of account, resulting in risk profiles and underwriting profitability levels which mirror each other on a proportional basis.

The Syndicates underwrite a broadly spread account of both insurance and reinsurance business across four divisions: Specialty Lines, Property, Reinsurance and Marine. The Syndicates are a frequent lead underwriter in their main lines of business and have returned a profit to members in every closed year of account since 1986. The Directors believe that this record of profitability has been achieved by applying the Group's underwriting expertise and by building balanced, non-correlating and geographically diverse specialist risk portfolios in its selected areas of business. The Beazley Group has an underwriting track record that is more stable than the Lloyd's market average. Both Syndicates have an A (Excellent) rating from A.M. Best.

Capacity structure

The following table shows the growth in the underwriting capacity of the Syndicates and the participation of Beazley Underwriting for the 1999 to 2005 years of account:

	1999	2000	2001	2002	2003	2004	2005
Managed capacity (£ million)	95	125	215	403	660	741	741
Growth	–	32%	72%	87%	64%	12%	–
Beazley Group participation	–	–	2%	4%	50%	54%	70%

The underwriting capacity managed by Beazley Furlonge increased between 1999 and 2004 in response to improving market conditions. The growth was mainly achieved in existing areas of expertise rather than by entering new business sectors. For the 2005 year of account, managed capacity is planned to remain at £741 million, subject to approval by Lloyd's.

Following the flotation of Beazley in November 2002, Beazley Underwriting became the sole underwriting member of Syndicate 2623, increasing the Beazley Group's participation in the managed capacity of the Syndicates to 50 per cent. Since then, the Beazley Group has increased its participation, by acquiring Syndicate 623 capacity through the Lloyd's auction process, to 54 per cent. for 2004 and 70 per cent. for 2005.

For 2004, Beazley Group's underwriting is supported by £132 million of the Company's own funds and a £19.5 million letter of credit as well as a continuous solvency transfer from the 2003 year of account which was permitted by Lloyd's. The capital required for 2004 was 40 per cent. of capacity, which was the minimum allowed under the risk based capital model at Lloyd's.

The risk based capital model applied by Lloyd's calculates capital requirements based on the underwriting risks in relation to future business that the Group intends to write in the next year of account and the reserving risks for business written by the Group in previous years of account. Since Beazley has been expanding and has developed a reasonable sized medium tail portfolio of risks, the Beazley Group's reserves have increased and therefore the required reserving risk capital has also increased. For the 2005 underwriting year, the Group's risk based capital ratio is expected to increase to 48 per cent.

The FSA issued Consultation Paper 04/7 in April 2004 regarding its new prudential requirements for insurance business conducted at Lloyd's. This included guidance on Individual Capital Adequacy which aims to achieve a better assessment of the capital needed to support each syndicate at Lloyd's based on modeling individual syndicate financial robustness under a number of possible scenarios.

Most of the changes proposed in CP 04/7 are due to come into effect on 1 January 2005. The Company is well advanced in its project to deliver the Beazley Group's internal assessment of capital required under this new regime by early 2005.

Interim results for the six months ended 30 June 2004

Beazley announced its unaudited interim results for the six months ended 30 June 2004 on 8 September 2004.

The Beazley Group's gross written premiums increased to £211 million (2003: £162 million), reflecting an increase in the Group's participation in the managed capacity of the Syndicates from 50 per cent. in 2003 to 54 per cent. in 2004 and increased business flows in the Specialty Lines division. Net earned premiums increased to £125 million (2003: £28 million), reflecting Beazley earning a greater proportion of written premiums than was the case in the previous year, which was the first year in which the Group had operated as an integrated Lloyd's vehicle. The combined ratio of the Group was 90 per cent. The Group reported a profit before tax of £22.2 million (2003: £2.5 million). As at 30 June 2004, the Group had net assets of £167.3 million and net tangible assets of £160.4 million.

As at 30 June 2004, the Group had investment assets to the value of £352 million, an increase of approximately 90 per cent. on the equivalent figure as at 30 June 2003. The Board believes that the Beazley Group's investment assets will continue to grow as the average duration of the Group's claims payment is approximately three and a half years. Therefore, the income derived by the Group from these investments can be expected to increase accordingly.

As at 30 June 2004, the Group had net unearned premium reserves of £137 million, an increase of approximately 85 per cent. on the equivalent figure as at 30 June 2003. The Board believes that the Beazley Group's increasing unearned premium reserves represent an important source of future earnings for the Group as the business which is represented by these reserves was written at a time when market conditions were very attractive.

3. Background to and reasons for the Rights Issue

In summary, the reasons for the Rights Issue are:

- to provide the capital required to support the continued growth in the Beazley Group's underwriting at Lloyd's; and
- to acquire and capitalise a US admitted lines insurer to improve further the Group's access to specialty lines and property business in the US market.

Capital support for Lloyd's underwriting

Through the Lloyd's auction process, the Beazley Group has been successful in purchasing additional 2005 capacity of £109 million on Syndicate 623 at a total cost of £1 million (equivalent to an average price of 0.9 pence per £1 of capacity). The Board believes that this capacity acquisition represented an excellent opportunity to increase substantially the capacity ownership of the Beazley Group on attractive terms. The capacity acquisition will increase shareholders' participation in the performance of the Syndicates and the Board expects that this will provide prospects for future earnings growth at a time when Beazley's managed capacity is being maintained at its current level reflecting a disciplined underwriting approach in current market conditions.

As a result of this purchase and taking into account the £11 million which the Directors believe will be assumed by the Beazley Group as a result of certain Syndicate 623 underwriting members choosing not to participate in the 2005 year of account, the Beazley Group's participation in the managed capacity of the Syndicates will increase from 54 per cent. in 2004 to approximately 70 per cent. for the 2005 year of account.

The Directors expect that the Beazley Group will be required by Lloyd's to provide approximately £232 million of funds at Lloyd's to support its increased 2005 year of account owned capacity of £517 million (based on an expected risk based capital ratio of 48 per cent. and the benefit of the continuous solvency transfer allowed by Lloyd's from prior years of account).

The Board has considered a number of options, including the provision of reinsurance capital, for providing this increase in the solvency capital required by Lloyd's. The Board has concluded that the capital should be provided by utilising approximately £82 million of the funds raised from the Rights Issue thereby increasing the Company's own funds at Lloyd's from £132 million to £214 million as well as drawing down part of the bank facility arranged through Lloyds TSB earlier this year.

The Directors anticipate that the Beazley Group may have further opportunities to increase its participation on the Syndicates for the 2006 underwriting year on attractive terms. Furthermore, the Directors anticipate that the Beazley Group's funds at Lloyd's requirements may increase in 2006 as the Beazley Group's reserving risk capital requirements will again increase. The Directors are confident that, taking into account the net proceeds of the Rights Issue, the Beazley Group's banking facilities and the other sources of capital potentially available (including the potential for further Lloyd's solvency credits, issues of subordinated loan notes, an increased debt facility and capital from reinsurance providers), the Beazley Group will be able to finance these increased capital requirements without further recourse to shareholders.

Acquisition of US admitted lines insurer: Beazley Insurance Company, Inc ("BICI")

The Beazley Group established BUSI, a US managing agency company, earlier this year to complement the business currently written by the Group and provide business opportunities unavailable through the Lloyd's market. The Directors believe that BUSI will enable Beazley to deliver service nearer to its customers, and therefore enable the Group to ensure better control over the quality of accounts underwritten, lower acquisition costs and allow better ownership of the US portfolio. In particular, the Directors believe that BUSI will be able to access small and middle market specialty lines and property business that is not currently underwritten at Lloyd's owing to distribution costs disadvantages. Hence BUSI will provide stability to the Speciality Lines and Property accounts of the Group.

The Company has today announced a further key development in its US strategy with the agreement to acquire Omaha Property and Casualty Insurance Company, a US admitted lines insurance company, from Mutual of Omaha Insurance Company for a cash consideration of approximately US\$21 million (comprised of US\$9 million goodwill for the value of US State Insurance licences plus approximately US\$12 million of net assets). It is proposed that Omaha Property and Casualty Insurance Company will be renamed Beazley Insurance Company, Inc. Following the acquisition, BUSI will be able to underwrite admitted lines business on behalf of BICI as well as surplus lines business on behalf of the Syndicates, thereby enabling the Group to access business in its chosen sectors on the same basis as US insurance companies. The acquisition is subject to regulatory approval and is expected to complete before the end of the first quarter of 2005.

The Board has chosen to focus the Group's US strategy on business lines in which Beazley has considerable existing knowledge:

- The specialty lines operation will offer national coverage for errors and omissions, directors and officers, employment practices liability, fiduciary and fidelity risks. Specialty lines will operate from a centralised underwriting unit in Hartford, Connecticut and develop relationships with those brokers who control the targeted risks.
- The property operation will initially focus on high valued home owner risks in the following regions: North Florida, Georgia, South Carolina and North Carolina. The Board intends to consider a potential future expansion into other property product lines. The property operation will be based in Ponte Vedra Beach, Florida, enabling it to trade directly with those brokers, agents and selected wholesalers who control business in the targeted regional markets.

BUSI will operate within Beazley's overall integrated management structure with production underwriters in the US writing business both on behalf of the Syndicates, which have allocated part of their 2005 capacity to BUSI, and, following its acquisition and capitalisation, BICI. Beazley has appointed Jeff Koenig as Chief Operating and Financial Officer of BUSI and has recruited Nicholas Bozzo as head of specialty lines and King Flynn as head of property. Jeff Koenig, who has been with Beazley since March 2003, was formerly a Senior Financial Officer with Executive Risk (a US professional liability insurer) for 11 years. Nicholas Bozzo was formerly Senior Vice President, Underwriting for Axis US Insurance Company and King Flynn was formerly head of Florida operations at Palmer & Cay and a Managing Director at Marsh USA.

Without the acquisition of BICI, BUSI would only be able to underwrite, through the Syndicates, US surplus lines business. BICI's licences will enable BUSI also to underwrite admitted lines business in the 50 US states where BICI is authorised following approval of BICI's rates and policy forms by insurance regulators in these states. The Board expects that BUSI will be able to write surplus lines business on behalf of the Syndicates from December 2004 and admitted lines business on behalf of BICI during the second quarter of 2005.

Under the terms of the acquisition, Mutual of Omaha has agreed to assume all obligations of BICI arising out of the operations of BICI prior to its acquisition by Beazley including reinsuring BICI's historical business on a 100 per cent. quota share basis. As security for this quota share arrangement, Mutual of Omaha has agreed to place an amount of funds in trust equal to 100 per cent. of BICI's gross reserves for historical business and, in the unlikely event that these funds in trust were exhausted, Mutual of Omaha would be required to provide further funds to meet any further losses. Mutual of Omaha has an A (Excellent) rating from A.M. Best and as at 31 December 2003 reported a statutory surplus of US\$1.7 billion. Mutual of Omaha will also administer this historical business. Hence, the Directors believe that the Company will be acquiring a shell US insurance company whose exposure to historical underwriting is remote.

At completion, BICI is expected to have net tangible assets of approximately US\$12 million. The Directors intend that the Beazley Group will inject a minimum of a further US\$38 million of capital into BICI prior to the commencement of underwriting by BICI. The Directors believe that, based on this capital injection, BICI will receive a financial strength rating from rating agencies that will be attractive to potential customers.

The Board expects that the US operations will build a portfolio of business generating approximately US\$170 million of gross written premiums by 2007. The Board expects that the US operations will make a positive contribution to profits in the medium term.

Beazley proposes to issue to Credit Suisse First Boston, acting through its Cayman Islands branch, an aggregate principal amount of US\$18 million of Floating Rate Subordinated Notes due 2034 (the "Notes"). The Notes will bear interest at a floating rate of interest expected to be the aggregate of 3-month US Dollar LIBOR and 3.65 per cent. per annum. It is intended that the Notes will be listed on the London Stock Exchange. The Directors intend to utilise the capital raised from these Notes to fund partially the Group's US operations. In addition, the Directors expect to utilise approximately £23 million of the net proceeds from the Rights Issue to acquire and capitalise BICI.

The unaudited pro forma consolidated net assets of the Beazley Group following the Rights Issue would be £272 million (equivalent to 75 pence per share).

The acquisition of BICI is not conditional on the successful completion of the Rights Issue. If for any reason the Rights Issue were not to proceed, the Board believes that Beazley could successfully support the purchased capacity and complete the acquisition and capitalisation of BICI using alternative methods of financing, such as an issue of additional subordinated debt, the utilisation of existing bank facilities or reinsurance capital. The Directors believe that such funding measures would be available to the Group were they to be required.

4. Current trading and prospects

Trading conditions to date have continued in line with those stated in the announcement of Beazley's unaudited interim results for the six months to June 2004 made on 8 September 2004, with the exception of the hurricane losses discussed below.

The Directors believe that the trading environment remains strong and that the Company will be able to capitalise on the opportunities offered by the Group's existing business lines. The Board believes that Beazley's earnings potential will continue to develop as the Group completes its second year of operation following its flotation.

The Group's results for the current year will be adversely affected by the impact of hurricane losses. Beazley plans within its loss ratios for some level of hurricane activity. However, on 1 October 2004, the Group announced that, owing to the unusually high frequency of hurricanes in the last quarter and the size of the overall expected insured loss, there will be an estimated negative impact based on Beazley Group's profit before tax for the 2004 financial year of approximately £15 million.

The insurance industry estimates that as a result of these recent hurricanes the property, catastrophe reinsurance and energy markets have incurred total insured losses in the range of \$20 billion to \$30 billion. The Directors believe that the impact of these hurricanes will have a beneficial effect on underwriting rates and assist in sustaining the current good trading conditions.

The Group is continuing to experience rate increases in the Specialty Lines division and a stable rating environment in the Property, Reinsurance and Marine divisions. The Directors believe that rating discipline in the insurance market will be maintained by reinsurance costs remaining stable and continued modest investment returns. The Directors believe that rates will remain at their current high levels for 2004 and that the market will be generally stable for 2005. The Directors are therefore confident of the financial and trading prospects of the Group.

The Directors believe that by improving further the Beazley Group's access to business and continuing to focus on those markets where the Group has specific expertise and substantial experience, the Group should be able to continue to deliver strong results. In particular, the Directors believe that the establishment of BUSI and acquisition of BICI will significantly improve the Group's access to specialty lines and property business in the US market and furthermore, the acquisition of additional syndicate capacity on attractive terms offers the prospect of future earnings growth without any expansion in the portfolio of business being underwritten.

The Board believes that the Rights Issue will be earnings enhancing in the medium term.

5. Dividend policy

The Directors stated at the time of the Beazley Group's flotation in November 2002 that the Company intended to operate a flexible dividend policy, conserving capital within the Group during periods when such capital could be deployed to support profitable underwriting and returning surplus capital to shareholders when underwriting conditions were less favourable.

The Board has previously stated that it expects dividends to be modest until the 2005 year end owing to cash flow constraints imposed by the Group's first year of account profits for the 2003 underwriting year not being released from Lloyd's until early 2006. The Board has also stated that it expects dividends will increase significantly from the year ended 31 December 2005.

Given the expected good trading prospects going forward, the Directors have today announced that they expect the total dividend declared by Beazley for the year ended 31 December 2004 will be not less than 1 pence per share and the total dividend declared for the year ended 31 December 2005 will be not less than 4 pence per share.

6. Principal terms of the Rights Issue

General

Under the terms and conditions of the Rights Issue, Qualifying Shareholders will be offered, by way of rights, New Ordinary Shares at a price of 84 pence per New Ordinary Share (an 8 per cent. discount to the closing middle market price of 91.5 pence per Existing Ordinary Share on 29 October 2004, the last trading day prior to the announcement of the Rights Issue).

The Rights Issue is expected to raise approximately £105 million, net of expenses and will result in the issue of up to 131,134,252 New Ordinary Shares (representing approximately 36 per cent. of the issued ordinary share capital of Beazley, as enlarged by the Rights Issue).

The Rights Issue is being made on the following basis:

4 New Ordinary Shares for every 7 Existing Ordinary Shares

held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Existing Ordinary Shares then held.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Fractions of New Ordinary Shares will not be allotted, each Qualifying Shareholder's entitlement being rounded down to the nearest whole number.

The latest time and date for acceptance and payment in full under the Rights Issue is expected to be 9.30 a.m. on 10 December 2004.

The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares.

The Rights Issue, which has been fully underwritten by Numis Securities, is conditional, amongst other things, upon:

- (a) the passing of the Resolution at the Extraordinary General Meeting;
- (b) the Underwriting Agreement becoming unconditional in all respects, save for the condition relating to Admission and not having been terminated in accordance with its terms prior to Admission; and
- (c) Admission becoming effective by not later than 8.00 a.m. on 18 November 2004 (or such later time and/or date as Numis Securities and the Company may agree, not being later than 8.00 a.m. on 3 January 2005).

Applications have been made to the UK Listing Authority and to the London Stock Exchange for the New Ordinary Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities respectively. It is expected that Admission will become effective on 18 November 2004 and that dealings in the New Ordinary Shares will commence, nil paid, at 8.00 a.m. on that day and, fully paid, at 8.00 a.m. on 13 December 2004.

Qualifying non-CREST Shareholders

Subject to the Resolution being passed, Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) will be sent a Provisional Allotment Letter on 17 November 2004 which will indicate the number of New Ordinary Shares provisionally allotted to such Qualifying non-CREST Shareholders pursuant to the Rights Issue.

Provisional Allotment Letters will be sent to Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) who should retain this document pending receipt thereof. Qualifying non-CREST Shareholders should note that, other than any Provisional Allotment Letter, they will receive no further communication from the Company in respect of this document.

Qualifying CREST Shareholders

Subject to the Resolution being passed, Qualifying CREST Shareholders (other than certain Overseas Shareholders) are expected to receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled on 18 November 2004. The Nil Paid Rights so credited are expected to be enabled for settlement by CRESTCo as soon as practicable after Admission.

7. Other Information

The full terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up are set out in the Prospectus, which is expected to be despatched to Shareholders today. The Prospectus will also contain a notice of the Extraordinary General Meeting which is expected to be held on 17 November 2004.

8. Expected Timetable

It is currently anticipated that the Rights Issue will proceed in accordance with the following timetable:

Record Date for the Rights Issue	Close of business on 11 November 2004
Latest time and date for receipt of Forms of Proxy	4.30 p.m. on 15 November 2004
Extraordinary General Meeting	4.30 p.m. on 17 November 2004
Despatch of Provisional Allotment Letters to Qualifying non-CREST Shareholders	17 November 2004
Admission of the New Ordinary Shares, nil paid, and dealings expected to commence in New Ordinary Shares, nil paid	8.00 a.m. on 18 November 2004
Nil Paid Rights and Fully Paid Rights enabled in CREST and Nil Paid Rights credited to stock accounts in CREST of Qualifying CREST Shareholders	after 8.00 a.m. on 18 November 2004
Recommended latest time and date for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST ¹	4.30 p.m. on 2 December 2004
Recommended latest time and date for depositing renounced Provisional Allotment Letters, nil paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account ²	3.00 p.m. on 6 December 2004
Latest time and date for splitting Provisional Allotment Letters (nil paid or fully paid)	3.00 p.m. on 7 December 2004
Latest time and date for acceptance and payment in full and registration of renunciation	9.30 a.m. on 10 December 2004
Dealings expected to commence in New Ordinary Shares, fully paid	13 December 2004
Crediting of CREST accounts for New Ordinary Shares in uncertificated form	13 December 2004
Definitive share certificates in respect of New Ordinary Shares to be held in certificated form despatched	17 December 2004

Notes:

- (1) If you have questions on the procedure for acceptance and payment, you should contact Lloyds TSB Registrars, telephone 0870 600 0673 (or +44 1903 702 767 if you are calling from outside the UK). Please note that Lloyds TSB Registrars cannot provide financial advice on the merits of the Rights Issue or as to whether or not you should take up your entitlement.
- (2) The dates and times set out in the “Expected timetable of principal events” above and mentioned throughout this document may be adjusted by agreement between the Company and Numis Securities (Numis Securities’ agreement not to be unreasonably withheld or delayed) in which event, details of the new dates will be notified to the UK Listing Authority and the London Stock Exchange and the Company will make an appropriate announcement to a Regulatory Information Service.
- (3) Unless specifically stated otherwise, all references to time in this document are to time in London.

¹ If your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into certificated form.

² If your Nil Paid Rights are represented by a Provisional Allotment Letter and you wish to convert them into uncertificated form in CREST.

9. Definitions

The following definitions apply throughout this document, unless the context requires otherwise:

“Admission”	the admission of the New Ordinary Shares, nil paid, (i) to the Official List of the UKLA becoming effective in accordance with the Listing Rules; and (ii) to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the Admission and Disclosure Standards of the London Stock Exchange (as amended from time to time)
“A.M. Best”	A.M. Best Company, Inc.
“BICI”	Omaha Property and Casualty Insurance Company, an insurance company organised under the laws of the state of Nebraska, which it is proposed will be renamed Beazley Insurance Company, Inc.
“Beazley” or “the Company”	Beazley Group plc
“Beazley Furlonge”	Beazley Furlonge Limited, a wholly-owned subsidiary of the Company
“Beazley Group” or the “Group”	the Company, and its subsidiaries, or any of them, as the case may be
“Beazley Underwriting”	Beazley Underwriting Limited, a wholly-owned subsidiary of the Company
“the Board” or “the Directors”	the directors of the Company
“certificated” or in “certificated form”	a share or other security which is not in uncertificated form
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations)
“CRESTCo”	CRESTCo Limited, the operator of CREST
“Existing Ordinary Shares”	the 229,484,941 Ordinary Shares in issue at the date of this document
“Extraordinary General meeting” or “EGM”	the extraordinary general meeting of the Company convened by notice set out at the end of the prospectus, and any adjournment thereof
“FSA”	the Financial Services Authority

“Issue Price”	84 pence per New Ordinary Share
“Lexicon Partners”	Lexicon Partners Limited, a company regulated by the FSA
“LIBOR”	the rate of interest quoted by banks in the London Interbank Market at which they are willing to lend money
“Lloyd’s” or “the Society”	the Society and Corporation of Lloyd’s created and governed by the Lloyd’s Acts 1871-1982, including the Council of Lloyd’s (and its delegates and other persons through whom the Council may act), as the context may require
“London Stock Exchange”	London Stock Exchange plc
“Mutual of Omaha”	Mutual of Omaha Insurance Company, an insurance company organised under the laws of the state of Nebraska
“New Ordinary Shares”	up to 131,134,252 new Ordinary Shares which are to be issued by the Company pursuant to the Rights Issue
“Nil Paid Rights”	nil paid rights to subscribe for New Ordinary Shares at the Issue Price pursuant to the Rights Issue
“Numis Securities”	Numis Securities Limited, a company regulated by the FSA
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	the ordinary shares of 5 pence each in the capital of the Company from time to time
“Overseas Shareholders”	Shareholders who are resident in, or who are citizen of, or who have registered addresses in, territories other than the United Kingdom
“Prospectus”	the prospectus relating to Beazley Group plc and the New Ordinary Shares prepared in accordance with the listing rules of the UK Listing Authority made pursuant to Part VI of the Financial Services and Markets Act 2000
“Provisional Allotment Letters”	the renounceable provisional allotment letters to be despatched to Qualifying non-CREST Shareholders

(other than certain Overseas Shareholders) in respect of the New Ordinary Shares to be provisionally allotted to them pursuant to the Rights Issue and “Provisional Allotment Letter” shall be construed accordingly

“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the Record Date are in uncertificated form
“Qualifying non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the Record Date are in certificated form
“Qualifying Shareholders”	Shareholders on the register of members of the Company on the Record Date
“Record Date”	the record date for the Rights Issue, being the close of business on 11 November 2004
“Resolution”	the resolution contained in the notice of EGM set out at the end of this document to be proposed at the EGM
“Rights Issue”	the proposed issue to Qualifying Shareholders of New Ordinary Shares by way of rights on the basis described in this document and, in the case of Qualifying non-CREST Shareholders, in the Provisional Allotment Letters
“Shareholders”	holders of Ordinary Shares
“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is admitted
“Syndicate 2623”	syndicate 2623 at Lloyd’s
“Syndicate 623”	syndicate 623 at Lloyd’s
“the Syndicates”	Syndicate 623 and Syndicate 2623
“UK Listing Authority” or “UKLA”	the FSA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA

“uncertificated” or “in uncertificated form”	an Ordinary Share recorded on the Company’s register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Underwriting Agreement”	the conditional underwriting agreement dated 1 November 2004 between the Company and Numis Securities
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia