



1 March 2010

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Dear Mr Hodge

**Response to the FRC's Consultation on the Revised UK Governance Code
(December 2009)**

Amlin plc ("Amlin") is the UK domiciled parent company of a non-life insurance underwriting group with offices in the UK (operating through Lloyd's), Bermuda, Europe and Asia. We are listed on the London Stock Exchange with a market capitalisation at the date of this letter of approximately £2 billion. This letter is further to our letter dated 29 September 2009 on your previous consultation and follows a discussion at our Board held on 25 February 2010.

We are pleased that the proposed UK Corporate Governance Code accords generally with the views that Amlin shares with the FRC.

However, we remain concerned at the likely detrimental effects, and definite lack of any positive benefit, of the proposed new Code Provision to require either the chairman or the whole board to be elected annually. We note that it is proposed to insert "long-term" in what will now be Code Main Principle A1 referring to an effective board being responsible for "the long-term success of the company". We welcome this change to Main Principle A1 because it balances the short term pressures that quarterly narrative reporting can place on a board. But if the chairman or the whole board is at the same time to be subjected to annual election we fear that this will create an unhealthy tension between this principle of long term success and the need to sparkle in the short term.

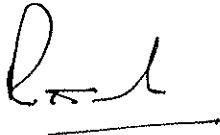
As stated previously, mandatory re-election each year of all Board members will in our view also:

- lead to less rigorous consideration by the Nomination Committee at each retirement of whether an NED should continue (this is the real test in the vast majority of cases as to whether an NED continues, not the shareholder vote). Whilst real and genuine consideration is in our experience given each three years, an annual decision will inevitably be treated as more routine; and
- result in a lesser commitment from NEDs in all but the largest and most prominent companies, as at any one time they will never be morally committed to remain for more than one year. This may be allied to increased “head hunter” interest in poaching top quality NEDs, knowing as they will that every year any NED will have an opportunity to decline to stand again – hardly a recipe for continuity on boards.

We note that there are ample means, both formal and informal, for shareholders to indicate their dissatisfaction with a board or a particular board member, and ultimately to remove them, in the exceptional circumstances when that arises.

In our Board’s view, it would therefore be a great pity if the excellent work on other aspects of the new Code were to be undermined by continuing with either annual election proposal.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R J Taylor', with a horizontal line underneath it.

R J Taylor
Chairman