

IN THE MATTER OF THE SECURITIES
LEGISLATION OF BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC,
NOVA SCOTIA AND NEW BRUNSWICK

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
OVERSEAS PARTNERS LTD.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and New Brunswick (the "Jurisdictions") received an application from Overseas Partners Ltd. ("OPL") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the registration requirement and prospectus requirement as defined in National Instrument 14-101 – Definitions, of the Legislation (the "Registration and Prospectus Requirements") shall not apply to certain trades in securities made by OPL to its shareholders;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS it has been represented by OPL to the Decision Makers that:

1. OPL is a company incorporated under the laws of Bermuda.
2. OPL primarily operates as a reinsurance company providing property, workers' compensation, aviation, marine, medical benefits, finite risk and other specialty reinsurance products.
3. OPL is a registrant with the United States Securities and Exchange Commission (the "SEC") and is up to date on all required filings with the SEC. OPL is not a reporting issuer in any province of Canada.
4. OPL's authorized share capital consists of 900,000,000 common shares (the "Common Shares") and 200,000,000 preference shares, of which 127,500,000 Common Shares and no preference shares were issued and outstanding as of March 31, 2000.

5. Neither the Common Shares nor the preference shares are listed on any securities exchange or traded in the organized over-the-counter markets.
6. Pursuant to OPL's by-laws, Common Shares may not be transferred, except by a *bona fide* gift or inheritance, unless such shares have first been offered, by written notice, for sale to OPL at a particular price and on the same terms upon which they are to be offered to the proposed transferee.
7. The by-laws also provide OPL with the right to purchase Common Shares from Shareholders in certain instances (such as death and termination of employment).
8. In addition, the board of directors of OPL has stated that it is currently prepared to purchase up to 10% of the Common Shares held by any shareholder of record on November 23, 1999 from that date through to November 1, 2000.
9. As at March 31, 2000, there were approximately 97,000 registered holders of Common Shares, with 923 holders (less than 1%) resident in Canada (the "Canadian Shareholders"), holding 285,868 Common Shares (representing approximately 0.18% of the 127,500,000 issued and outstanding Common Shares).
10. The provincial breakdown of Canadian Shareholders is as follows: Ontario (583 holders, holding 167,512 Common Shares) British Columbia (54 holders, holding 58,105 Common Shares); Alberta (38 holders, holding 12,511 Common Shares); Saskatchewan (7 holders, holding 275 Common Shares); Manitoba (28 holders, holding 3,887 Common Shares); QuJbec (143 holders, holding 30,569 Common Shares); New Brunswick (67 holders, holding 12,653 Common Shares); and Nova Scotia (1 holder, holding 80 Common Shares).
11. The Canadian Shareholders are not employees of OPL. Rather, the holders are generally employees (or former employees) of United Parcel Service of America, Inc. (now United Parcel Service, Inc.), ("UPSA"), OPL's former parent company.
12. Prior to July 21, 1999, Common Shares had been bundled with shares of UPSA and provided as stock compensation awards to UPSA employees, some of whom were resident in Canada.
13. Canadian Shareholders acquired Common Shares issued through the UPSA awards under discretionary relief obtained from the Decision Makers in those jurisdictions where UPSA employees resided.
14. On July 21, 1999, UPSA announced its intention to make an initial public offering under which trading commenced November 10, 1999, and OPL ceased providing Common Shares as stock compensation awards to UPSA employees.
15. OPL is proposing to sell Common Shares to its existing shareholders (the "Offer").

16. The Offer is being made to permit existing OPL shareholders to increase their equity interest in OPL. Proceeds derived from the Offer will be added to OPL's cash and used for general business purposes.

17. The Offer will be made on a continuous basis pursuant to Rule 415 of the *United States Securities Act of 1933* (the "1933 Act").

18. In connection with the Offer and to register the Common Shares for sale in the United States, OPL has filed a Form S-3 registration statement with the SEC (the "U.S. Prospectus").

19. OPL will provide to each registered holder of Common Shares a copy of the final U.S. Prospectus as filed with the SEC.

20. For the purpose of offering Common Shares to Canadian Shareholders, additional Canadian disclosure requirements will be provided in the form of a "wrapper" to the U.S. Prospectus (the "Canadian Wrapper"). Such disclosure will include a warning to the effect that there is no liquid market for the Common Shares and that the transfer of Common Shares is subject to resale restrictions.

21. The U.S. Prospectus will register that number of Common Shares that OPL reasonably believes will satisfy shareholder demand for two years. Unless terminated in OPL's discretion, the Offer will continue for two years, and potentially for an indefinite period until the Common Shares registered by the U.S. Prospectus are sold. Initially, OPL proposes to sell up to 6,000,000 Common Shares under the Offer, although this number may be increased from time to time. Shareholders may subscribe for not more than 10,000 and not less than 50 Common Shares pursuant to the Offer in any given year; however, OPL will have the right to accept or reject, in whole or part, any subscription. Common Shares will be issued under the Offer at their fair market value. Currently, the board of directors of OPL has determined that the fair market value is US\$21.50 per Common Share. This value will be reviewed by the board biannually, and adjusted accordingly.

22. As an SEC registrant, OPL must file continuous disclosure materials with the SEC. All documents filed by OPL pursuant to Sections 13(a), 13(c), 14 or 15(d) of the 1933 Act after the date of the U.S. Prospectus and prior to the expiry or termination of the Offer, will be deemed to be incorporated by reference in the U.S. Prospectus. OPL mails to its shareholders annual and quarterly reports and shareholders will have access to additional continuous disclosure materials in the manner described in the U.S. Prospectus.

23. The Canadian Shareholders will have the same rights, if any, available to them under the U.S. Prospectus as the shareholders of OPL resident in the United States to whom the Offer is made.

24. In absence of the ruling requested herein, the issue of Common Shares by OPL to Canadian Shareholders pursuant to the Offer will not be exempt from the Registration and Prospectus Requirements in the Legislation.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker;

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make this Decision has been met:

The decision of the Decision Makers under the Legislation is that the Registration and Prospectus Requirements shall not apply to trades by OPL to Canadian Shareholders in Common Shares pursuant to the Offer, provided that the first trade in Common Shares acquired pursuant to this decision shall be deemed a distribution or primary distribution to the public under the Legislation of the Jurisdiction in which the trade takes place unless otherwise exempt thereunder.

DATED at Toronto this 13th day of July, 2000.

"J. A. Geller" "Stephen N. Adams"

Headnote

MRRS- Relief granted from the registration and prospectus requirements to permit issuance of common shares by a U.S. issuer to a de minimus number of its current Canadian shareholders.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., s.25, 35(1) 14, 53, 72(1)(h), and 74(1).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.,