

1 July 2020

Reference: QBEFINT

Dear Sir/Madam

Proposed transfer of the European freedom of services business (and other ancillary business) written by QBE UK Limited from its UK head office to QBE Europe SA/NV

Background

We refer to our previous letter dated 22 August 2019 concerning the proposal to transfer part of the insurance business of QBE UK Limited (**QBE UK**), including one or more policies arranged by you, to East West Insurance Company Limited (**EWICL**) (the **EWICL Transfer**).

As noted in our previous letter, the EWICL Transfer was due to take effect at 00:01 (Greenwich Mean Time) on 4 December 2019. However, as publicised on our website, the EWICL Transfer will no longer proceed. While this means that all of the policies proposed to be transferred to EWICL with risks located exclusively within the United Kingdom (**UK**) will now remain with QBE UK, we are proposing to transfer all of the policies previously within the EWICL Transfer with any risks located in Republic of Ireland or any other European Economic Area (**EEA**) member state (including the policy or policies arranged by you) to QBE Europe SA/NV (**QBE Europe**).

This transfer of the of the EEA business previously within the EWICL Transfer will form part of a wider transfer that will result in all of the general insurance and reinsurance policies written on a freedom of services basis throughout the EEA from QBE UK's head office in the UK between 1 January 1970 and 31 December 2018 (the **Transferring Business**) transferring to QBE Europe with effect from 00:01 (Greenwich Mean Time) on 1 November 2020.

This transfer is intended to ensure that such business can be properly serviced regardless of whether or not the UK leaves the European Union with a trade deal on 31 December 2020 (and the terms thereof), following the expiration of the implementation period as provided for by the European Union (Withdrawal Agreement) Act 2020.

Information about the proposed transfer

The proposed transfer will result in all of the Transferring Business, together with the assets and liabilities comprised in the Transferring Business, automatically transferring to QBE Europe and will be effected by means of an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (**FSMA**).

The transfer will require the approval of the High Court of Justice of England and Wales (the **Court**). An application has already been presented to the Court for approval of the transfer, and this application is due to be heard on 21 October 2020. As required by FSMA, an independent expert (the **Independent Expert**) approved by the UK regulator for prudential matters, the Prudential Regulation Authority, has been appointed to prepare a report on the transfer and its effect on policyholders and their security. The terms of the transfer and the report of the Independent Expert are set out in a summary (the **Summary**) which is enclosed with this letter.

The proposed transfer will have no effect on: (a) the terms and conditions of a policyholder's cover; (b) the amount of premium payable in respect of a policy; (c) the duration of a policy; or (d) any claim which has been (or may be made) under a policy. In addition, Armour Risk Management Limited (**Armour**) will continue to be responsible for policy administration following the effective date of the proposed transfer. This means that policyholders should not experience any change in respect of their interactions with Armour on a day-to-day basis.

The communication pack

We enclose with this letter the following documents (the **Communication Pack**) which provide more information and background in relation to the transfer and the Transferring Business:

- A copy of the letter to be sent to policyholders who hold a policy comprised within the Transferring Business (the **Transferring Policyholders**).
- The Summary (referred to above).
- "Questions and Answers" about the transfer.
- A copy of a legal notice setting out details of the Court hearing to consider the proposed transfer.

The notification process

We are now writing to all Transferring Policyholders who we believe can still make a claim under a policy that is transferring from QBE UK to QBE Europe pursuant to the transfer to give them information about the transfer and allow them reasonable time to consider whether they or any other interested parties of which they are aware are adversely affected by the transfer (if so, they will be informed that they can make representations to the Court and be provided with details of how they can do so). **It is a legal requirement for us to provide this information (unless the Court has consented otherwise).**

Next steps

If you have any queries or if you require further copies of any of the enclosed documents or a copy of the report of the Independent Expert or the document effecting the transfer, please:

- call our dedicated helpline on +44 (0)20 3465 3330;
- write to us at 30 Fenchurch Street, London EC3M 3BD; or
- email us at brexit.queries@uk.qbe.com.

Reinsurers are not required to take any steps in relation to the transfer. However, if you believe you may be adversely affected by the transfer, you are entitled to attend in person or by legal counsel at the hearing of the application to sanction the transfer and/or make written representations to the Court. Those who are intending to do this are kindly requested to give written notice of their intention and details of their objections. This notice should be sent to us at 30 Fenchurch Street, London EC3M 3BD as soon as possible and preferably by no later than 14 October 2020. We would encourage those with any concerns to discuss these with us as soon as possible.

Yours faithfully,



For and on behalf of
QBE UK Limited



For and on behalf of
QBE Europe SA/NV