



22 August 2019

Dear Sir/Madam

THIS LETTER AND ITS ENCLOSURES ARE IMPORTANT – PLEASE READ THEM CAREFULLY

Proposed transfer of insurance business under Part VII of the Financial Services and Markets Act 2000 (FSMA)

We understand that Electricity Industry Run Off Services Limited (**EIROS**) manages the Electricity Industry Run Off Services Limited pool (previously known as the Associated Insurers (British Electric) Management Committee), which provided Employers' Liability and Public Liability insurance (the **EIROS Pool**).

QBE UK Limited (**QBEUK**) participates in the EIROS Pool as insurer. QBEUK changed its name from QBE Insurance (Europe) Limited to its current name on 1 January 2019.

We are writing to provide you with important information regarding the proposed transfer of part of QBEUK's insurance business to East West Insurance Company Limited (**EWICL**), including its share of policies underwritten through the EIROS Pool.

The proposed transfer is subject to regulatory and legal approvals and, if approved, is currently expected to take effect at 00:01 (GMT) on 4 December 2019.

Introduction

QBEUK and EWICL have agreed to a transfer of a portfolio of insurance business consisting of, amongst others, employers' liability and public liability policies that were written in the United Kingdom and the Republic of Ireland and which have been in run-off since 31 December 2007.

QBEUK's objective in disposing of this portfolio is to rationalise its business by divesting itself of a legacy portfolio which is no longer core to its ongoing operations.

The transfer process

The proposed transfer is being effected under UK law through an insurance business transfer scheme (**Scheme**) pursuant to Part VII of the UK Financial Services and Markets Act 2000.

QBEUK and EWICL have approved the proposed transfer and have consulted closely with their regulators in the UK, the Prudential Regulation Authority (**PRA**) and the Financial Conduct Authority (**FCA**). The PRA, after consulting with the FCA, has approved the appointment of an independent expert (the **Independent Expert**), who, in accordance with UK law, is required to review the proposed transfer and report on its impact on policyholders and other interested parties. A summary of the Independent Expert's report is provided within the enclosed booklet.

For the proposed transfer to become effective, the High Court of Justice of England and Wales (**Court**) must sanction the Scheme. The Court hearing for this purpose is expected to take place on 29 November 2019 and it is proposed that the transfer will take effect at 00:01 (GMT) on 4 December 2019 (the **Effective Time**).

What do you need to do?

You (and any policyholders with policies underwritten through the EIROS Pool) are encouraged to carefully consider the material contained within this letter and its enclosures.

The proposed transfer will have no effect on the terms and conditions of QBEUK's share of the policies written through the EIROS Pool, but the insurer will change from QBEUK to EWICL. The management service agreement between QBEUK and EIROS relating to the EIROS Pool will transfer under the Scheme.

Claims are currently handled on behalf of QBEUK by Armour Risk Management Limited, a company in the same company group as EWICL. Following the proposed transfer, Armour Risk Management Limited will continue to handle the claims, but on behalf of EWICL instead of QBEUK. There will be no changes to how issued policies are administered as part of the proposed transfer to EWICL, and EWICL will endeavour to ensure that policyholders continue to receive the same levels of service as currently seen. Policyholders should continue to contact their usual contact or their current broker or other intermediary for any policy or claim related queries in the usual way.

We therefore ask that you provide a copy of this letter and its enclosures (including a copy of the covering letter from QBEUK to policyholders that will transfer pursuant to the Scheme) to any policyholders with policies written through the EIROS Pool for whom you have records. We can provide further copies for this purpose on request, if required. We also ask that you to keep a record of, and communicate to us, any policyholders to whom you forward this letter and its enclosures (including the date of forwarding, any returned letters and the date of such returns, and any questions received).

If any party considers they may be adversely affected by the Scheme or objects to the Scheme, then they have a right to raise their concerns to, and for their objection to be heard by, the Court.

If any party believes that they would be adversely affected by the Scheme, they may raise these concerns with us in writing or over the telephone using the contact details below and we will make a record of their concerns and communicate these to the PRA, the FCA, the Independent Expert and the Court. They are also entitled to make representations in person or by counsel at the Court hearing to sanction the Scheme.

The Court hearing is currently scheduled to take place on 29 November 2019 at The Rolls Building, Fetter Lane, London, EC4A 1NL. Updates in relation to the Scheme, including any change to the Court hearing date, will be made available on the QBE website at <https://qbееurope.com/qbeuk-ewicl-part-vii-information/>.

However, unless they are unsure about the proposals, have any questions, or think they may be adversely affected, they are not required to take any action in respect of the proposed transfer.

Further Information

If you or any policyholder with a policy written through the EIROS Pool would like any further information or have any comments or queries about the Scheme, you or the policyholder can contact us using the methods set out below. In order to help direct the query to us, please clearly state or mark the query with the following reference 'Project Fall Part VII Transfer'.

- Write to us at QBE, Plantation Place, 30 Fenchurch Street, London, EC3M 3BD; or
- Email us at qbeuk-ewicl-pvii@uk.qbe.com; or
- Call the QBEUK contact centre on 0800 022 4027 (if calling from the UK), 1800800817 (if calling from the Republic of Ireland) or +44 203 465 3337 (if calling from elsewhere). The helpline will be open on Monday to Friday during usual business hours (09:00 – 17:00 (UK)).

Any other general queries relating to QBEUK's participation policies in the EIROS Pool that do not relate to the proposed transfer should continue to be made to the usual QBEUK contact.

The Independent Expert's full report and, when available, supplemental report can be found on the QBE website at <https://qbееurope.com/qbeuk-ewicl-part-vii-information/> and are also available free of charge on request.

Further updates relating to the proposed transfer, including any changes to the Court hearing date, will be posted on the QBE website, so you may wish to check for updates. If the transfer is approved by the Court, it will be announced on the QBE website.

Yours faithfully,



For and on behalf of
QBE UK Limited