

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)

Our records show that you or your company has (or in the past, has had) a UK building guarantee policy or policies issued by Zurich Insurance Plc (**ZIP**).

ZIP issued UK building guarantee policies in the UK during the period from 1993 to 2012 and, in 2018, transferred its portfolio of UK building guarantee policies, including your policy or policies, to East West Insurance Company Limited (**EWICL**).

We are writing to provide you with important information regarding the proposed transfer of part of QBE UK Limited's (**QBEUK**) insurance business to EWICL.

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 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 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 your existing policy or policies and/or claim(s). EWICL will continue to be the insurer under your policy or policies and claims will continue to be handled on its behalf by Armour Risk Management Limited, a company in the same company group as EWICL. 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.

If you are aware of anyone else who has an interest in and/or is entitled to benefits under your policy/ies and/or claim(s) (such as joint holders, assignees or insured subsidiaries or affiliates), please ensure that they are also given the opportunity to review this letter and enclosed documents.

If you consider you may be adversely affected by the Scheme or if you object to the Scheme, then you have a right to raise your concerns to, and for your objection to be heard by, the Court.

If you believe that you would be adversely affected by the Scheme, you may raise these concerns with us in writing or over the telephone using the contact details below and we will make a record of your concerns and communicate these to the PRA, the FCA, the Independent Expert and the Court. You 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 Armour Group website at www.armourholdings.com/regulatory-and-statutory.

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

Further Information

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

- Write to us at East West Insurance Company Limited, 20 Old Broad Street, London, EC2N 1DP; or
- Email us at ewicl-transfer@armourrisk.com; or
- Call the EWICL contact centre on 0800 470 0437. The helpline will be open on Monday to Friday during usual business hours (09:00 – 17:00 (UK)).

Any other general queries relating to your policy or policies that do not relate to the proposed transfer should continue to be made to your usual contact or using the contact details set out in your policy document(s).

The Independent Expert's full report and, when available, supplemental report can be found on Armour Group website 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 Armour Group website at www.armourholdings.com/regulatory-and-statutory, so you may wish to check for updates. If the transfer is approved by the Court, it will be announced on the Armour Group website.

Yours faithfully,



For and on behalf of

East West Insurance Company Limited