

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 (and/or your predecessor entities) are a reinsurer under one or more reinsurance contract(s) with QBE UK Limited (**QBEUK**) or an intermediary acting on behalf of one or more such reinsurers. 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, including your reinsurance contract(s) to East West Insurance Company Limited (**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 which are now in run-off.

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.

The Scheme will include your reinsurance contract(s) with QBEUK together with any claims under them, to the extent relating to the insurance policies transferring under the Scheme.

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**).

Effect of the proposed transfer

If the proposed transfer is approved by the Court, your reinsurance contract(s) with QBEUK will be transferred to EWICL, but only to the extent they relate to insurance policies transferred to EWICL by the



Scheme. If your reinsurance contract(s) with QBEUK also relate to insurance policies not included in the proposed transfer, then the effect of the Scheme, if approved, will be to split the reinsurance contract so that, with respect to that part of the reinsurance contract relating to transferring policies, EWICL will become the reinsured and, with respect to that part of the reinsurance contract relating to non-transferring policies, QBEUK will remain the reinsured. The terms and conditions of the split reinsurance contract (including, where applicable, the deductibles, limits and any other applicable policy limitations) will apply in aggregate across both QBEUK and EWICL so that you will have a contract with each of them but will be no better or worse off in respect of such contractual terms and conditions as a result of the Scheme and, so far as possible, QBEUK and EWICL will be jointly able to enjoy the benefit of the reinsurance contract.

Further detail in respect of both the insurance policies included in the proposed transfer and those to be retained by QBEUK is included in the enclosed documents and the legal document containing the full terms of the Scheme (the "Scheme Document"), a copy of which is available to download from the QBE website at <https://qbeeurope.com/qbeuk-ewicl-part-vii-information/>.

What do you need to do?

You are encouraged to carefully consider the material contained within this letter and its enclosures.

Except as described above, the proposed transfer will have no effect on the terms and conditions of your reinsurance contract(s). From the date the Scheme becomes effective, EWICL will have the benefit of your reinsurance contract(s) in place of QBEUK and will be responsible for all obligations under them, in each case to the extent relating to the transferring policies.

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 QBE website at <https://qbeeurope.com/qbeuk-ewicl-part-vii-information/>.

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 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 your reinsurance contract with QBEUK 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 reinsurance contract.

The Independent Expert's full report and, when available, supplemental report can be found on the QBE website at <https://qbeeurope.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

A handwritten signature in blue ink, appearing to read 'A. R. Ridges', written over a light blue rectangular background.

QBE UK Limited