



RSA Insurance Group plc
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EC3M 3AU
UK

**You may be required to take action
in respect of this letter.**

**If you have any questions please
visit our website
www.rsagroup.com/brexit**

or call us on +44(0) 121 415 0953

**or email us on
RSABrexit@Equiniti.com**

Dear Sir/Madam,

Proposed transfer of business in response to Brexit

Our records show that your company is a reinsurer or retrocessionaire under one or more reinsurance contract(s) (**reinsurance contract(s)**) with Royal & Sun Alliance Insurance plc (**RSAI**) in respect of one or more of its establishments in France, Spain, Netherlands, Belgium and Germany (the **European Economic Area (EEA) Branches**) and/or with the United Kingdom (**UK**) establishment of Royal & Sun Alliance Insurance plc (**RSAI**) in respect of risks located in the European Economic Area (**EEA**) states other than the UK (the **London Business**).

We are writing to provide you with important information regarding the proposed transfer of the insurance and reinsurance business of RSAI's EEA Branches (the EEA Branch Business) and the London Business, which may include your reinsurance contract(s), to RSA Luxembourg S.A. (**RSAL**), a subsidiary of RSAI incorporated in Luxembourg. RSAL is authorised by the Luxembourg Minister of Finance and supervised by the Commissariat Aux Assurance (**CAA**), the Luxembourg insurance regulator.

Certain of the RSAI EEA Branches carry on reinsurance business in respect of reinsurers domiciled in the following non-EEA jurisdictions: Argentina, Bolivia, Brazil, Canada, Chile, China, Colombia, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru Puerto Rico, Ukraine, Uruguay, Venezuela and India (the **Excluded Reinsurance Jurisdictions**). Reinsurance policies written or assumed by the RSAI EEA Branches in respect of reinsurers domiciled in an Excluded Reinsurance Jurisdiction, together with related reserves and reinsurance assets (the **Excluded Reinsurance Business**) are not included in the proposed transfer to RSAL and are excluded from the Transferring Business under the Scheme, as defined later.

The proposed transfer is subject to regulatory and legal approvals and, if approved, is currently expected to take effect immediately following midnight (UK time) on 1 January 2019.

Please note that any London Business reinsurance contract(s) will transfer to RSAL only to the extent they relate to a risk or risks located in an EEA state other than the UK. To the extent that any London Business reinsurance contract(s) relate to a risk or risks located in the UK or another non-EEA jurisdiction, they will remain with RSAI.

Background

As a result of the UK's prospective withdrawal from the European Union (**EU**) (commonly known as "Brexit"), RSAI is taking the necessary steps to establish a new legal entity in Luxembourg, RSAL, and proposes to transfer the EEA Branch Business and the London Business to RSAL. These changes are

required to ensure that we are able to continue to service our European business following Brexit. If the proposed transfer does not take place and the UK does withdraw from the EU, then it may not be legally permissible for RSAI to continue to pay valid claims in respect of its EEA risks following Brexit.

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.

RSAI and RSAL have approved the Scheme and have consulted closely with their regulators in the UK, the Prudential Regulation Authority (**PRA**) and the Financial Conduct Authority (**FCA**), and in Luxembourg, the CAA. The PRA, after consulting with the FCA, has approved the appointment of an Independent Expert who, in accordance with UK law, is required to review the Scheme 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 Scheme to become effective, the High Court of Justice of England and Wales (the **Court**) must sanction the Scheme. The Court hearing for this purpose is expected to take place on 29 November 2018 and it is proposed that the Scheme will take effect at immediately after midnight (UK time) on 1 January 2019 (the **Effective Time**).

Why are we writing to you?

The Scheme includes all in-force and expired outward reinsurance contracts entered into by RSAI together with claims under them, including your reinsurance contract(s) and claim(s) under them, to the extent that they relate to the EEA Branch Business and the London Business (**Transferring Reinsurance Contracts**).

The letters and its enclosures contain important information regarding the Scheme of the EEA Branch Business and the London Business (including the Transferring Reinsurance Contracts) to RSAL.

How does this transfer affect you?

If the Scheme is approved by the Court, the Scheme will result in the Transferring Reinsurance Contracts being transferred to RSAL, notwithstanding any restrictions on transfer or requirements for counterparty consent contained in them and without triggering any pre-emption, termination or other rights which might otherwise arise. Any entitlement to terminate, modify, acquire or claim an interest or right or to treat an interest or right as terminated or modified as a result of anything done pursuant to the Scheme will only be enforceable to the extent the Court so orders.

From the date the Scheme become effective, RSAL will have the benefit of the Transferring Reinsurance Contracts in place of RSAI and will be responsible for all obligations under them. All reinsurance recovery claims under the Transferring Reinsurance Contracts currently being dealt with by any intermediaries on behalf of RSAI will, after the Scheme becomes effective, continue to be handled by the relevant intermediary on behalf of RSAL in the same manner. Future claims arising under the Transferring Reinsurance Contracts will be similarly dealt with by the relevant intermediary on behalf of RSAL.

Other than as described above, the Scheme will have no effect on the terms and conditions of your existing contract. The terms of the Scheme will preserve any current rights you may have in respect of the EEA Branch Business and the London Business and will have no effect, financial or otherwise, on your liabilities in respect of the reinsurance you have provided.

What do you need to do?

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

You are not required to take any action in respect of the Scheme. If you believe that you would be adversely affected by the Scheme, you may raise these concerns to us in writing or over the telephone and we will make a record of your concerns and communicate these to the PRA, the FCA, the Independent Expert and the High Court. You are also entitled to have objections heard and/or make representations at the Court hearing to sanction the Scheme in person or by counsel.

The Court hearing to sanction the Scheme is currently scheduled to take place on 29 November 2018 at the Rolls Building, Fetter Lane, London EC4A 1NL. Updates on the Court hearing will be made available on www.rsagroup.com/brexit (the **RSA website**), which will be updated should the Court hearing date change.

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 '**RSA BREXIT**'.

- Write to us at RSA UK & International, 20 Fenchurch Street, London, EC3M 3AU; or
- Email us at RSABrexit@Equiniti.com; or
- Call the RSA Brexit contact centre on +44(0) 121 415 0953. The helpline will be open from 08:00 to 18:00 (UK time) on Monday to Friday. Calls may be recorded.

Any other general queries relating to your reinsurance contract(s) that do not relate to the Scheme should continue to be made to your usual contact or using the contact details set out in your reinsurance contract(s).

The Independent Expert's full report and, when available, supplemental report can be found on the RSA website and are also available free of charge on request. These documents are available in English, French, German, Spanish and Dutch languages.

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

Yours faithfully,

For and on behalf of

Royal & Sun Alliance Insurance plc