



Dear Broker,

PROPOSED TRANSFER OF THE ENTIRETY OF THE UK GENERAL INSURANCE AND REINSURANCE BUSINESS OF FM INSURANCE COMPANY LIMITED TO FM INSURANCE EUROPE S.A., UK BRANCH

We are writing to you, on behalf of ourselves, FM Insurance Company Limited (referred to in this letter as “us” or “FMI”), and FM Insurance Europe S.A. UK Branch (“**FMIE UK Branch**”), because our records show that your company has acted as broker for a holder of a policy or policies issued by FMI.

This letter provides important information regarding the proposed plans to transfer the entirety of the UK general insurance and reinsurance business of FMI to FMIE UK Branch (the “**Proposed Transfer**”). The Proposed Transfer is subject to UK court approval, as explained further below.

The Proposal

The Proposed Transfer must be approved by the High Court of Justice of England and Wales (the “**High Court**”) before it can proceed. The Proposed Transfer will be implemented through an insurance business transfer under Part VII of the Financial Services and Markets Act 2000 (the “**Scheme**”), which will be submitted for approval to the High Court. The court hearing to consider and, if thought fit, approve the Proposed Transfer, is expected to take place on 20 November 2024. If the Proposed Transfer is approved by the High Court, it is proposed that it will take place on 30 November 2024 and the policies will transfer to FMIE UK Branch on 30 November 2024.

The Proposed Transfer will have no impact on the current value of the transferring policies, their terms and conditions (except that the policy provider will change to FMIE UK Branch), policyholders rights and obligations under the policies or the way the policies are administered. Any claim the policyholder may have against FMI will continue against FMIE UK Branch once the Proposed Transfer takes effect.

Effect of the Proposed Transfer

If the Proposed Transfer is approved, FMI’s rights and obligations under the policies comprising the entirety of its UK general insurance and reinsurance business will be transferred to FMIE UK Branch without alteration. Any rights and obligations FMI policyholders may have under such policies will remain unchanged but will, following the Proposed Transfer, be exercisable against or owed to FMIE UK Branch. The Proposed Transfer will not result in any changes to policy terms, rights and obligations or the way policies are administered.

How are policyholders protected?

The interests of policyholders are being looked after by a rigorous review process which includes:

- close consultation with the UK’s Prudential Regulation Authority (the “**PRA**”) and Financial Conduct Authority (the “**FCA**”);
- the appointment of an independent expert (the “**Independent Expert**”) to produce a report for the High Court on the likely impact of the Proposed Transfer on policyholders which concludes that:
 - the Scheme will not materially adversely affect the security of benefits to policyholders of either FMI or FMIE UK Branch; and
 - the Scheme will not have any impact on service standards experienced by the policyholders of either FMI or FMIE UK Branch; and
- the approval of the Proposed Transfer by the High Court.

The High Court will only approve the Proposed Transfer if it is satisfied that it is fair to policyholders as a whole and that it meets all of the necessary legal requirements. The High Court will take into account the opinion of the PRA and FCA, the opinion of the Independent Expert and any representations made by policyholders who are concerned that they would be adversely affected by the Proposed Transfer.

What should you do now?

We are required by the UK courts to notify certain policyholders of the Proposed Transfer and have agreed certain steps with the court (which includes notifying yourselves as well as notifying certain policyholders directly). Where we have contact details we have written to policyholders and/or the representatives of policyholders whose policies form part of the Proposed Transfer and placed notices of the Proposed Transfer in a number of national newspapers in the UK and Luxembourg as well as in the Edinburgh, Belfast and London Gazettes.

Please notify each policyholder for whom you brokered business of the Proposed Transfer and direct them to the dedicated website for the Proposed Transfer www.fm.com/uk/regulatory/Insurance-Business-Transfer (the “**Website**”). Please rely on your own policyholder/email address records for the purposes of any communications with your clients – and we shall of course provide any reasonable assistance requested. The communication pack will enable all policyholders of FMI to make an informed assessment of the impact of the Proposed Transfer and make clear that policyholders have the right to object to the transaction should they wish to do so. We ask that the enclosed communication pack be sent to all relevant policyholders no later than 30 August 2024.

Where a communication pack is sent by email and you receive a “delivery failure notification”, we ask that you:

- review the email address to confirm there are no obvious errors in the email address that have prevented the documents being delivered, and resend the communication pack to the corrected email address if there was an error; and
- where either: (i) no such errors were identified; or (ii) an error is identified and the communication pack is re-sent by email to the corrected email address but a further “delivery failure notification” is received, please follow your “business as usual” gone-away process in attempting to contact the relevant policyholder. This includes using alternate available contact details and (if the relevant policyholder is a corporate entity whose details are registered publicly) checking its registered email address at the relevant public register (if any) in order to send the communication pack by post or suitable alternative means.

Where a communication pack is sent by email and you receive a “return to sender” notification, we ask that you:

- review the email address to confirm there are no obvious errors in the email address that have prevented the documents being delivered, and resend the communication pack to the corrected email address if there was an error; and
- where there are no obvious errors in the email address, in the case of a corporate entity whose details are registered publicly, check the policyholder’s registered email address at the relevant public register, in order to send the communication pack by post or suitable alternative means.

Enclosed documents

The communication pack contains:

- an Information Document containing:
 - a summary of the Scheme document setting out the terms of the Proposed Transfer;
 - a summary of the Independent Expert’s report; and
 - notice of the Proposed Transfer and further information on the court hearing; and
- and a set of frequently asked Questions and Answers (the “**Q&A**”).

What happens from here?

If a person is concerned that the Proposed Transfer could adversely affect them, they have the right to make written representations and/or to appear at the court hearing or to instruct a legal representative to appear at the hearing and make representations on their behalf. We have explained the process for raising concerns at question 12 of the Q&A document.

Further information

If you have any questions or concerns about the Proposed Transfer, you can find more information, including the full Independent Expert's report, on the Website.

You can request free copies of any of the documents or ask any further questions you may have by contacting us. You can write to us at Compliance Officer at FM Insurance Company Limited, Voyager Place, Shoppenhangers Road, Maidenhead, SL6 2PJ, UK, email at partvienquiries@fmglobal.co.uk or by calling us on +44 20 7480 4050.

If the Proposed Transfer is approved by the High Court, it will take place on 30 November 2024, and the Website will be updated to confirm this. If the court hearing dates change the Website will be updated to confirm this, so you may wish to check for updates from time to time.

If you would like this information in large print or in Braille or on a USB drive please call us on +44 20 7480 4050.

Yours sincerely,

FM Insurance Company Limited

On behalf of itself and FM Insurance Europe S.A., UK Branch