



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 in respect of reinsurance placed in respect of certain policies of FMI that form part of the UK general insurance and reinsurance business which is proposed to be transferred to FMIE UK Branch (the “**Proposed Transfer**”).

As part of the Proposed Transfer, the reinsurance provided in respect of these policies, either in whole or in part (to the extent that it relates to FMI) (the “**Transferring Business**”) will also be transferred to FMIE UK Branch. This letter provides important information regarding 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 currently scheduled for 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 your policies will transfer to FMIE UK Branch on 30 November 2024.

The Proposed Transfer will have no impact on the rights and obligations set out within the relevant reinsurance policy.

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 and the reinsurance policies providing reinsurance coverage in respect of FMI’s business will be transferred to FMIE UK Branch without alteration. Any rights and obligations FMI may have under the reinsurance 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 reinsurance policy terms, rights or obligations.

How are reinsurers protected?

The interests of reinsurers, and the interests of the underlying 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;
 - the Scheme will not have any impact on service standards experienced by the policyholders of either FMI or FMIE UK Branch; and

- the Scheme will not result in a change in the way in recoveries are managed under the reinsurance programmes relevant to the Transferring Business. The administration of the Transferring Business, including the management and handling of claims, will be performed by FMIE UK Branch following the Scheme, using the same processes used prior to the Scheme, so the magnitude and timing of recoveries claims against reinsurance contracts to be transferred by the Scheme will be unaffected by the Scheme; 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 interested parties 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 interested parties of the Proposed Transfer and have agreed certain steps with the court (which includes notifying yourselves as the primary point of contact for the reinsurers relevant to the Proposed Transfer). In addition we have 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 reinsurer for whom you placed business in respect of the Transferring Business and FMI 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 reinsurer/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 relevant reinsurers to make an informed assessment of the impact of the Proposed Transfer and make clear that interested parties 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 reinsurers 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 reinsurer. This includes using alternate available contact details and (if the relevant reinsurer’s 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 reinsurer’s registered email address (if any) 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 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 partviienquiries@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