

## SUMMARY OF THE SCHEME

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (CHD)

IN THE MATTER OF F.M. INSURANCE COMPANY LIMITED

- and -

IN THE MATTER OF FM INSURANCE EUROPE S.A.

- and –

IN THE MATTER OF PART VII OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

---

### SUMMARY OF SCHEME

---

#### 1. INTRODUCTION

- 1.1 F.M. Insurance Company Limited (FMI) is proposing to transfer the entirety of its general insurance and reinsurance business to the UK branch of FM Insurance Europe S.A. (FMIE, the UK branch being FMIE UK Branch) (the Proposed Transfer). As part of the Proposed Transfer, all of the general insurance and reinsurance policies written by FMI will be transferred to FMIE UK Branch. No other terms and conditions of the policies will change as a result of the Proposed Transfer.
- 1.2 This explanatory statement summarises the key elements of the Proposed Transfer and provides further information about the changes for policyholders.

#### 2. SUMMARY OF THE PROPOSED TRANSFER

- 2.1 FMI has agreed, subject to the necessary approvals, to transfer all of its general insurance and reinsurance business, including the relevant policies and corresponding assets and liabilities (the **Transferring Business**) to FMIE UK Branch.
- 2.2 The Proposed Transfer will be implemented through an insurance business transfer under Part VII of the Financial Services and Markets Act 2000 (**FSMA**), which will require the approval of the High Court of England and Wales (the **Court**). The Court hearing is scheduled for 20 November 2024. If the Proposed Transfer is approved by the Court, it is intended that it will become effective at 23:59 (Luxembourg time) on 30 November 2024 (the **Effective Date**).

2.3 The legal process to effect the Proposed Transfer requires the appointment of an independent expert (who must be an independent consulting actuary and not an employee of FMI or FMIE UK Branch) to give a report (the **Independent Expert's Report**) to the Court on the likely effects of the Proposed Transfer on policyholders and other interested parties. This role will be fulfilled by Derek Newton of Milliman LLP (the **Independent Expert**), whose appointment was approved by the Prudential Regulation Authority (the **PRA**), the authority responsible for the supervision and regulation of UK-registered insurance companies, after consultation with the Financial Conduct Authority (the **FCA**).

2.4 The Independent Expert has concluded that:

- i. the Scheme will not materially adversely affect the security of benefits to policyholders of either FMI or FMIE; and
- ii. the Scheme will not affect the service standards experienced by the policyholders of either FMI or FMIE.

Further details of the Independent Expert's analysis and findings can be found in the Independent Expert's Report.

2.5 The Court will consider the Independent Expert's Report before approving the Proposed Transfer.

### **3. BACKGROUND TO THE PARTIES TO THE PROPOSED TRANSFER**

3.1 FMI is a company incorporated and registered in England and Wales with registered number 00755780, whose registered office is at Voyager Place, Shoppenhangers Road, Maidenhead, Berkshire, England, SL6 2PJ. FMI is authorised by the PRA and regulated by the PRA and FCA and is registered on the FCA register with reference number 202145.

3.2 FMIE is registered as a foreign company in England and Wales with the registered number FC039419. FMIE's registered office is at One-On-One, 1 Route d'Esch, Luxembourg, L-1470, Luxembourg. FMIE acts through its UK branch, which is registered in the United Kingdom with registered branch number BR024525 and has its registered office at Voyager Place, Shoppenhangers Road, Maidenhead, SL6 2PJ.

3.3 FMIE operates throughout Europe and is authorised and regulated by the Commissariat aux Assurances in Luxembourg. FMIE UK Branch is authorised by the PRA and regulated by the PRA and FCA. FMIE UK Branch is registered on the FCA register with the reference number 782276.

3.4 FMI, FMIE and FMIE UK Branch are all wholly-owned subsidiaries of Factory Mutual Insurance Company, a mutual commercial property insurance company incorporated in 1835 in Rhode Island, USA, which is the ultimate beneficial owner of the entities which form the FM Group.

#### **4. KEY TERMS OF THE PROPOSED TRANSFER**

4.1 With effect from the Effective Date, the Transferring Business, together with all supporting business assets and liabilities, will automatically transfer to FMIE UK Branch. The only assets currently held by FMI which will not transfer to FMIE UK Branch are certain shares in subsidiaries, equity securities, and any other debt securities, equity investments, other investment assets or cash assets which may be identified and agreed between FMI and FMIE UK Branch prior to the Effective Date. All employees of FMI, except one, are intended to transfer to FMIE UK Branch.

4.2 Following the Proposed Transfer, FMI policyholders will continue to have the same rights, benefits and obligations and be subject to the same terms and conditions in relation to their policies, save that FMIE UK Branch will be substituted as the insurer in place of FMI. This means that:

- i. FMIE UK Branch will be responsible for paying all claims and meeting all the other obligations which were previously obligations of FMI in relation to the Transferring Business;
- ii. any pending or current proceedings involving FMI will be continued by or against FMIE UK Branch in place of FMI, and FMIE UK Branch will be entitled to any and all defences, claims, counterclaims and rights of set-off that FMI would have had; and
- iii. any judgment, order or award relating to the Transferring Business which is not fully satisfied on or before the Effective Date will become enforceable by or against FMIE UK Branch in the place of FMI.

4.3 As a result of the Proposed Transfer:

- i. there will be no changes to the way policies are administered;
- ii. policy number(s) will not change; and
- iii. the terms and conditions of the policies will not change.

- 4.4 Despite the intention explained in paragraph 4.1 above, there may be a small number of policies or assets which fall outside of the Scheme. These would be “Residual Policies” or “Residual Assets”, as described in more detail in the Scheme. Any Residual Policies or Residual Assets will transfer to FMIE UK Branch as soon as possible following the Effective Date.
- 4.5 All costs and expenses incurred in connection with the Proposed Transfer, including the Independent Expert's fees, legal fees and the fees of the PRA and FCA, shall be borne by FMIE. No policyholders of either party will face any charges relating to the Proposed Transfer.

## **5. FURTHER INFORMATION**

If you have any questions or concerns about the Proposed Transfer, you can find further information, including the Scheme Document and the full Independent Expert's Report free of charge on the dedicated website for the Proposed Transfer at: [www.fm.com/uk/regulatory/Insurance-Business-Transfer](http://www.fm.com/uk/regulatory/Insurance-Business-Transfer).

You can also request free copies of any of these documents or ask any further questions you may have by calling +44 20 7480 4050. Alternatively, you can write to our Compliance Officer at FM Insurance Company Limited, Voyager Place, Shoppenhangers Road, Maidenhead, SL6 2PJ, UK or write to us by email at [partviiinquiries@fmglobal.co.uk](mailto:partviiinquiries@fmglobal.co.uk).