

[insert date]

[insert name and address of reinsurer]

Proposed Transfer of insurance business from Travelers Insurance Company Limited¹ (TICL) to Travelers Insurance DAC (the Transferee).

Dear Reinsurer

We are writing to inform you about a proposed transfer of insurance business from TICL to the Transferee and how this may affect you. Our records show that your company and/or its subsidiaries or associated companies have reinsured some of the business to be transferred.

What is proposed?

TICL is proposing to transfer its general insurance business underwritten or assumed (in whole or in part) by its **Irish, Dutch, French and German branches (Transferring Business)** to the Transferee (the **Transfer**). This is an insurance business transfer scheme known as a Part VII insurance business transfer (the **Scheme**).

Both TICL and the Transferee are part of The Travelers Companies, Inc. group. The Transferee was incorporated in the Republic of Ireland on 6 February 2018. The Transferee is to be authorised by the Central Bank of Ireland as a non-life insurance company under the European Union (Insurance and Reinsurance) Regulations 2015.

The rationale for the transfer of the Transferring Business is to ensure that the transferring policies can continue to be administered following the UK's withdrawal from the EU. In order for the Transfer to take place, a rigorous legal and regulatory approval process must be followed.

The proposal will need approval by the High Court of England and Wales and the Scheme can come into effect only with the Court's approval. If this is given, we expect that the Transfer to be effective on **31 March 2019 (the Effective Date)**.

It is a legal requirement that we contact you as part of the Part VII process - we enclose with this letter a booklet - comprising a summary of the scheme, a summary of the independent expert's report, some questions and answers regarding the Transfer and a copy of the legal notice setting out details of the Court hearing to consider the proposal.

Impact of transfer on your reinsurance agreements

The Court has extremely wide powers under Part VII of the Financial Services and Markets Act 2000 (the legislation governing the Scheme) which include making an order for the transfer of contracts which would not otherwise be capable of being transferred or assigned without the consent or concurrence of a third party. The effect of the Scheme will therefore be that TICL's rights, benefits, powers and obligations under any reinsurance treaties/arrangements with you will be transferred without alteration to the Transferee (insofar as they relate to the Transferring Business) and the rights and obligations of you (as reinsurer) will remain unchanged but will, following the Transfer, be exercisable against or owed to the Transferee (insofar as they relate to the Transferring Business). Following the Transfer, sums that would have been payable to the TICL will, so far as they relate to the Transferring Business, will instead be due to the Transferee.

At the court hearing in respect of the Transfer, the Court will be asked to order the transfer of the benefit of the reinsurance treaties/arrangements with you, to the extent set out above, to the Transferee, so far as they relate to the Transferring Business, as if the Transferee had been the party to the relevant reinsurance treaty/arrangements from inception. Any security arrangements or letters

¹ Formerly named St. Paul International Insurance Company Limited, St Paul Travelers Insurance Company Limited and St. Katherine Insurance Company Limited

of credit which have been arranged by you for the benefit of TICL, insofar as they relate to the Transferring Business, will also transfer under the Scheme. To the extent that a reinsurance treaty/arrangement also covers business that is not Transferring Business then your obligations to the TICL and the terms and conditions will be unchanged.

How are your interests being protected?

The approval process provides a comprehensive set of protections to your interests.

As part of this process:

- (i) the boards of directors of both TICL and the Transferee have reviewed and approved the proposals;
- (ii) the companies have consulted closely with: TICL's regulators, the Financial Conduct Authority (**FCA**) and the Prudential Regulation Authority (**PRA**);
- (iii) as the Transferee is based in Ireland, the companies have consulted with the Transferee's regulator, the Central Bank of Ireland;
- (iv) the PRA, after consulting with the FCA, approved the appointment of an Independent Expert to review the impact of the transfer on policyholders. A summary of his Scheme Report is included in the enclosed booklet; and
- (v) the High Court must approve the Transfer. The Court will consider whether the Transfer will adversely affect policyholders and whether it is appropriate to allow this Transfer.

The Court hearing is scheduled to take place on **28 March 2019** at the High Court, 7 Rolls Building, Fetter Lane, London EC4A 1NL. You can contact us by email, phone or in writing if you think you are adversely affected by the Transfer and wish to object.

What should you do?

Please read and consider the information we have included in this letter (and the accompanying booklet) to make sure that you understand what we are proposing to do.

If you do not have any concerns about the proposed Transfer, you do not need to do anything. If you need any further information or if you have queries or any concerns about this proposal, or think that you may be adversely affected, then please contact John Abramson, Travelers Legal Department as follows:

Email: jabramso@travelers.com

Post: Travelers Insurance Company Limited, John Abramson, Travelers Legal Department, One Creechurch Place, London EC3A 5AF

Phone: +44 20 3207 6000

Our phone lines will be open **Monday to Friday** (excluding UK public holidays) **from 9am to 5pm**.

If you believe that you may be adversely affected by the Transfer, you also have the right to attend the High Court hearing to make your views known to the High Court either in person or by instructing a barrister or solicitor advocate to appear on your behalf. You may also make written representations. Details of how to convey your views on the Transfer are given in the enclosed booklet. Any representations received by us will be made known to the High Court and to the PRA and the FCA.

We have published further information about the Transfer, including full copies of the above documentation, on the website: www.travelers.co.uk/brexit - this website will also publicise any changes that may take place such as to the proposed Effective Date or to the court hearing date.

Yours sincerely

[Authorised Signatory of TICL signatory]