

Reference:

Dear Sir/Madam

Hiscox Insurance Company Limited – proposed changes in anticipation of Brexit

We are writing to you because you are, or have in the past been, a holder of or a claimant of an insurance policy underwritten by Hiscox Insurance Company Limited (**HIC**).

We wanted to let you know about some necessary changes that HIC is required to make in response to the UK's decision to leave the European Union, commonly known as 'Brexit'. These changes will ensure continuity of cover to all our customers with European risks, so that we can continue to service our policyholders and claimants in the UK and across Europe post-Brexit.

This letter is for your information only and you are not required to take any action unless you have questions or think you might be adversely affected by the **Proposed Transfer**. For any questions or concerns you may have please contact us using the contact details provided in this letter.

If you are aware of anyone else who has an interest in and/or is entitled to benefits under your policy – such as a joint policyholder, another beneficiary or claimant, please ensure that they have the opportunity to review this letter and the enclosed booklet (**Scheme Booklet**).

What is happening?

In order to ensure continuity of cover post-Brexit, we are proposing to transfer certain policies from HIC to Hiscox S.A. (**HSA**), (the Proposed Transfer). HSA is a regulated insurance company within the Hiscox Group, and is incorporated in Luxembourg. HSA is authorised by the Luxembourg Minister of Finance and subject to the supervision of the Commissariat aux Assurances.

The Proposed Transfer is subject to legal approval by the High Court of England and Wales (the **High Court**) and the UK industry regulators, the Prudential Regulation Authority (the **PRA**) and the Financial Conduct Authority (the **FCA**). If approved, the Proposed Transfer is expected to take effect on 1 January 2019 (the **Effective Date**).

Proposal at a glance

- It is proposed, as of 1 January 2019, Hiscox S.A. will become the insurer of certain HIC policies.
- This will ensure that we can continue to service your policies and/or claims post-Brexit.
- This letter and enclosures are important, please read them carefully.
- No further action is required by you, unless you have questions or think the transfer will adversely affect you.
- Our obligations to you will not change.

Our contact details**Telephone:** +44 (0)800 781 3049**Email:** transfer@hiscox.co.uk**Correspondence address:**Part VII Transfer Team
The Hiscox Building
Peasholme Green
York YO1 7PR



This letter and the enclosed booklet provide details about how the Proposed Transfer would occur, the safeguards that are in place for you, where you can find further information, and what to do if you wish to object to the Proposed Transfer. We would encourage you to read the information provided in this letter, together with the Scheme Booklet so that you can consider the implications of the Proposed Transfer.

How will this affect me?

The Proposed Transfer will see your policy and/or claim transfer to HSA. However, this will have no impact on the cover provided by your current policy and you will not need any new insurance documents as a result of the Proposed Transfer. **The terms and conditions (including applicable policy limits) of your policy would stay the same but the insurer under your policy will change from HIC to HSA. Our obligations to you will not change.**

Your eligibility for access to the UK's Financial Services Compensation Scheme (**FSCS**) will remain following the Proposed Transfer, until your policy is renewed. In relation to the Financial Ombudsman Scheme (**FOS**), you will continue to have access to the FOS in respect of any of HIC's activities or services carried out before the Proposed Transfer. After the Proposed Transfer, you will also benefit from the Luxembourg policyholder protection regime, which is provided through strict regulatory requirements with respect to the assets of an insurance company that have to be segregated and allocated in absolute preference to guarantee the payment of insurance claims. In addition, if you are a consumer, you will gain free access to the Luxembourg Insurance Mediator and can address complaints directly to the Luxembourg regulator, the CAA. This is described in more detail in the frequently asked questions (**FAQ**) section of the enclosed booklet.

There is no need to take any further action in relation to the Proposed Transfer. However, if you are unsure about the proposal, have any questions, want clarification or believe the Proposed Transfer will adversely affect you, you may wish to visit our website www.hiscoxgroup.com/partvii or contact us using the contact details provided in page 1 of this letter, and we will be happy to assist further. You also have the right to raise an objection with HIC, the right to make representation to the High Court of England and Wales (in person, in writing or by legal representation). For details of how to raise an objection refer to the '**What should you do next?**' section of this letter.

How will the Proposed Transfer happen?

The Proposed Transfer will be effected as an insurance business transfer as provided for in Part VII of the Financial Services and Markets Act 2000, which allows the transfer of insurance business from one insurer to another. This process requires the High Court to approve the Proposed Transfer and an independent expert (the **Independent Expert**) to give his opinion on the likely impact of the Proposed Transfer on policyholders.

The Independent Expert is a Fellow of the Institute and Faculty of Actuaries and his appointment has been approved by our industry regulators, the PRA and FCA. **The Independent Expert's conclusion is that there will be no material adverse impact on policyholders who will remain with HIC and policyholders who will transfer to HSA.** You will find a summary of the Independent Expert's report in the enclosed Scheme Booklet.

During this process we will work in close consultation with the PRA and FCA, who will assess the Proposed Transfer having regard to its objectives, including that of consumer protection. The PRA and the FCA will also provide a report of the Proposed Transfer to the High Court.

The High Court will only approve the Proposed Transfer if it considers it appropriate in all the circumstances. If the Proposed Transfer is approved by the High Court, as noted above, the Effective Date for the transfer is expected to be 1 January 2019.



To find out more

A dedicated transfer website www.hiscoxgroup.com/partvii has been set up to keep you updated throughout the Transfer process. We recommend that you check the website regularly for any updates regarding the Proposed Transfer, including the date of the High Court hearing and the Effective Date.

The full Independent Expert's report and a full copy of the Scheme document are available for download now from our website www.hiscoxgroup.com/partvii and the Independent Expert's Supplemental Report will be added as it becomes available. Alternatively, copies of Scheme-related documents can also be posted free of charge; please send any request to us on any of the contact details provided on page one of this letter. Our dedicated team will be available to deal with your request and any other queries relating to the Proposed Transfer. You can call us between the hours of 9.00am to 5.00pm from Monday to Friday, excluding public holidays.

What should you do next?

You are not required to take any action – unless you have any questions or think you might be adversely affected by the Proposed Transfer.

We would encourage you to read the enclosed Scheme Booklet which contains:

- some additional questions and answers;
- a summary of the Proposed Transfer;
- a summary of the Independent Expert's report;
- notice of the Proposed Transfer; and
- details of how you can contact us.

If you do have an objection to the Proposed Transfer and how it may affect you, you have the right to make written representations to the High Court or be heard at the High Court hearing to sanction the Proposed Transfer (in person or via legal representation). This High Court hearing is scheduled to take place on 14 December 2018 at the Rolls Building, Royal Courts of Justice, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL. If you, or your representative, plan to go to the court hearing, we would ask that you make us aware, so that we can keep you informed of any changes to the hearing, such as time or date.

You may also raise your objection with us in writing or over the telephone and we will make a record of your objection and communicate this to the PRA, the FCA, the Independent Expert and the High Court. For details of how you can contact us please see page one of this letter.



The transfer of your contract(s) and/or claim(s) will mean that the Hiscox Group which controls processing of information (usually referred to as **Data Controller**) will change from HIC to HSA if your policy transfers, or will be both HIC and HSA if you have a mixed policy. Our use of information otherwise remains unchanged and we will continue to protect it as we have always done. You can find out more information about how the Hiscox Group uses personal information by visiting www.hiscoxgroup.com/site-tools/privacy.

Yours sincerely

Stéphane Flaquet

For and on behalf of Hiscox Insurance Company Limited

This letter is also available in Braille, large print and on audio tape.