

15 September 2020

Dear Policyholder

IMPORTANT INFORMATION ABOUT OUR BREXIT PLANS

We are writing to provide some information regarding **Arch Insurance (EU) dac** (“AIEU”) (formerly Arch Mortgage Insurance dac), an insurance company incorporated in the Republic of Ireland, authorised and regulated by the Central Bank of Ireland. This information will not impact your agreement/policy (referred to herein as the “**Policy**”) with AIEU and is part of a planned implementation of our Group Brexit plans.

It is proposed that on 31 December 2020 **Arch Insurance (UK) Limited** (“AIUK”) will transfer (the “**Proposed Transfer**”) certain policy/policies or claim(s) in respect of risks located in the European Economic Area (“**EEA**”) (other than the United Kingdom) to AIEU. Both AIUK and AIEU are wholly-owned indirect subsidiaries of Arch Capital Group Ltd., along with other insurance and reinsurance companies (together referred to as the “**Arch Group**”). AIEU is regulated in accordance the same EU regulatory requirements as AIUK.

Your Policy will remain with AIEU and, therefore, will not be directly affected by the Proposed Transfer.

This letter contains important information about the Proposed Transfer, to allow you reasonable time to consider whether you and/or your interested parties may be adversely affected by the Proposed Transfer.

The Proposed Transfer must be carried out in accordance with the UK Financial Services and Markets Act 2000. This requires us to obtain approval from the High Court of England and Wales (the “**Court**”). It is a legal requirement for us to contact you as part of this process, and should you consider that you are adversely affected by the Proposed Transfer, you are entitled to make representations to the Court and this letter contains information on how to do so.

Following the decision of the UK electorate to vote in favour of leaving the European Union (the “**EU**”), the Arch Group planned a restructuring of its UK and European operations in order to continue to service our European policyholders after the UK’s withdrawal from the EU and the expiration of the agreed transition period, which is expected on 31 December 2020.

Accordingly, AIUK proposes to transfer to AIEU all its general insurance business (excluding inwards reinsurance business) effected and/or carried out in any state within the EEA utilising AIUK’s freedom of establishment and/or freedom of services. This will include risks located in a member state of the EEA (other than the UK) as well as AIUK policies held by policyholders established or resident in an EEA state (other than the UK).

The Proposed Transfer will have no effect on the terms and conditions of your Policy, and the Policy will not be amended or modified as a result of the Proposed Transfer.

How are your interests being protected?

The legal approval process for the Proposed Transfer to AIEU is designed to help safeguard your interests.

- The Court must approve the Proposed Transfer for it to go ahead. The Court will consider whether the Proposed Transfer will adversely affect you as a policyholder and whether it is appropriate to approve the Proposed Transfer.
- The Court hearing is due to take place on 18 December 2020 at the High Court of Justice, 7 Rolls Building, Fetter Lane, London, EC4A 1NL, United Kingdom.
- You have the right to attend the Court hearing that will consider the Proposed Transfer and to present any objections or concerns that you may have directly, or appoint legal counsel to attend on your behalf. If you want to telephone or write to us rather than appear in person, we will present in writing any objections received from you to the Court on 11 December 2020. If you decide to write to us you are kindly requested to do so as soon as possible and preferably no later than 1 December 2020.
- Any change to the date of the Court hearing will be announced on our website: www.archcapgroup.com/Insurance/Arch-Part-VII.
- Subject to Court approval, it is expected that the relevant policies will automatically transfer to AIEU on 31 December 2020.
- Any change to the date of the Proposed Transfer will be announced on our website www.archcapgroup.com/Insurance/Arch-Part-VII.
- An Independent Expert has been appointed to write a report for the Court. He has assessed the impact of the Proposed Transfer and has concluded that it will not materially adversely affect any group of policyholders.
- AIUK has consulted closely with its regulators, the Financial Conduct Authority and the Prudential Regulation Authority. The UK regulators are entitled to make their own representations to the Court and we expect them to do so.
- AIEU, as a company incorporated in Ireland, is subject to the General Data Protection Regulation 2016 (“GDPR”) and personal data will continue to be processed in a manner compliant with GDPR. Details about how personal data is collected and processed can be found in the Arch Privacy and Data Protection Policy here: www.archcapgroup.com/Privacy-and-Data-Protection-Policy. We recommend that you read this policy.

What should you do?

Please carefully read the information we have included with this letter.

We have enclosed a booklet containing:

- “Questions and Answers” about the Proposed Transfer;
- a summary of the legal document that sets out the terms of the Proposed Transfer (the “**Scheme Document**”);
- a summary of the Independent Expert’s report; and
- a copy of a legal notice setting out details of the Court hearing for the Proposed Transfer, (the “**Communication Pack**”).

How to make your views known

If you are comfortable with the Proposed Transfer and the information contained in and included with this letter, you do not need to take any further action. However, should you need any further information or if you have any questions or concerns about the Proposed Transfer or consider that you may be adversely affected then please contact us as soon as possible and preferably no later than 1 December 2020. You can:

- call the following dedicated helpline, free of charge when calling from the UK, on:
+ 44 (0)808 196 3200

The helpline will not be available outside the hours of 09:00 to 17:00 London time weekdays or on bank holidays and public holidays in the United Kingdom. Callers during those times (or at times when nobody is able to answer the call) will be able to leave a message and request that their call is returned); or

- write to us at:
Arch Insurance (EU) dac
Level 2, Block 3, The Oval
160 Shelbourne Road
Ballsbridge, Dublin 4
Ireland
- e-mail us at: Archpart7@archinsurance.co.uk

Please note that the dedicated helpline is for enquires about the Proposed Transfer only. If you have any general questions about your policy, please call your usual broking contact or the person from whom you purchased your policy.

For your convenience, this information is also available on the Arch Group website www.archcapgroup.com/Insurance/Arch-Part-VII, together with full copies of the documents that comprise the Communication Pack, the Scheme Document and the Independent Expert's report. All updates and details about the progress of the Proposed Transfer, including any supplemental Independent Expert's report that may be prepared prior to the Court hearing, will also be posted on this website and will be available from the same address.

If you are aware of anyone else who has an interest in and/or is entitled to claim under your policy, please inform them of the Proposed Transfer and pass on the information contained in this letter and booklet. We will reimburse you any costs incurred with this process with details of your expenses.

Our goal is to ensure that we will be able to continue to provide insurance services to our EEA policyholders with a high service standard.

Yours sincerely,



Soren Scheuer

Arch Insurance (EU) dac, President & Chief Executive Officer