

15 September 2020

Dear Broker

IMPORTANT INFORMATION ABOUT ARCH PART VII TRANSFER

We are writing to you because our records show that you or an entity within your group placed a reinsurance agreement ("**Reinsurance**") for **Arch Insurance (UK) Limited ("AIUK")** (formerly Arch Insurance Company (Europe) Limited) sometime between 2004 and 2019.

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 ("**Proposed Transfer**") to **Arch Insurance (EU) dac ("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. The Proposed Transfer will include risks located in a state of the EEA (other than the UK) as well as policies held by policyholders established or resident in an EEA State (other than the UK).

Both AIUK and AIEU are under common control of Arch Capital Group Ltd., along with other insurance and reinsurance companies (together referred to as the "**Arch Group**").

This letter has been sent to you because we believe that you placed Reinsurance with a reinsurer of AIUK (a "**Reinsurer**") in respect of certain policies that form part of the Proposed Transfer.

After the Proposed Transfer, AIEU will become the cedant under the Reinsurance but only with respect to policies forming part of the Proposed Transfer. This letter contains important information about the Proposed Transfer to allow Reinsurers a reasonable time to consider whether they and/or their 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 reinsurers as part of this process, and should reinsurers consider that they are adversely affected by the Proposed Transfer, they are entitled to make representations to the Court and this letter contains information on how to do so.

At the hearing, the Court will be asked to order the transfer of the benefit of the Reinsurance to AIEU to the extent set out above as part of the Proposed Transfer. The effect of the order is that all rights, benefits and powers conferred on or vested in AIUK under the Reinsurance, as well as all obligations imposed on AIUK in respect of the Reinsurance, will, without further action and insofar as such rights, benefits, powers and obligations relate to the Proposed Transfer, be transferred to AIEU subject to the terms of the Proposed Transfer as if AIEU had been the party to the relevant Reinsurance from inception. All references in the Reinsurance to AIUK and its directors, officers and employees or agents would then

be read and construed, to the extent that such references relate to the Proposed Transfer, as being references to AIEU and its directors, officers and employees or agents.

We enclose with this letter the following documents which provide more information and background in relation to the Proposed Transfer:

- “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**”).

We also enclose in the Appendix to this letter a list of reinsurers with whom you have placed a Reinsurance whose details appear in our records as the reinsurer for each transferring reinsurance.

Please can you contact each Reinsurer (or, where such a Reinsurance has been placed with more than one reinsurer, the person or persons authorised to act on behalf of those reinsurers or groups of reinsurers (the “**Authorised Representative**”)) using your usual method of communication (using the contact details you hold for each Reinsurer or Authorised Representative) and send each such Reinsurer or Authorised Representative the Communication Pack. We will reimburse the costs of this exercise, on request accompanied by appropriate evidence of costs incurred. If you normally communicate with the Reinsurer in a language other than English, we have Italian, Spanish and German versions of the Communication Pack on the Arch website www.archcapgroup.com/Insurance/Arch-Part-VII. We will entertain requests to translate the Communication Pack into other languages upon request.

If the Reinsurer is not contactable, please inform us as soon as possible. If you receive a “bounce-back” in relation to a Communication Pack sent to a Reinsurer or Authorised Representative, we ask you that you take the following actions:

- review the method of communication of the Reinsurer or Authorised Representative in question to check that there are no obvious errors that have prevented the Communication Pack being delivered; and
- undertake a search using a reputable online search engine and, if an e-mail address is revealed by such online search that differs from that to which the initial Communication Pack was sent, please send a further Communication Pack to such e-mail address as is revealed by such online search

If the Reinsurers are comfortable with the Proposed Transfer and the information contained in and included with this letter, no further action is needed. However, should any Reinsurer need any further information or if a Reinsurer has any questions or concerns about the Proposed Transfer or considers that it may be adversely affected then please can you or the Reinsurer contact us as soon as possible and preferably no later than 1 December 2020. You or the Reinsurer 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 (UK) Limited
5th Floor, Plantation Place South
London EC3R 5AZ
United Kingdom
- e-mail us at: Archpart7@archinsurance.co.uk

For your convenience, this information is also available on the Arch 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.

Yours sincerely,

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

Hugh Sturgess

Arch Insurance (UK) Limited, President & Chief Executive Officer

APPENDIX

[Information to be added]