

15 September 2020

Dear Sir or Madam

IMPORTANT INFORMATION ABOUT ARCH PART VII TRANSFER

Our records show that you or an entity within your group (“**Reinsurer**”) currently reinsures or previously reinsured **Arch Insurance (UK) Limited** (formerly Arch Insurance Company (Europe) Limited) (“**AIUK**”), a UK insurance company, and that such reinsurance agreement (“**Reinsurance**”) relate(s) to a risk or risks situated in the European Economic Area (other than the United Kingdom) 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 reinsured AIUK 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 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.

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**.

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**”).

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 1st 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 (UK) Limited
5th Floor, Plantation Place South
London EC3R 5AZ
United Kingdom
- e-mail us at: Archpart7@archinsurance.co.uk

If you normally conduct your business in a language other than English, we have Italian, Spanish and German versions of the Communication Park 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.

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. 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,

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

Hugh Sturgess

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