

[Summary of the Scheme]

IN THE HIGH COURT OF JUSTICE

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

COMPANIES COURT (ChD)

IN THE MATTER OF ARCH INSURANCE (UK) LIMITED

and

IN THE MATTER OF ARCH INSURANCE (EU) DAC

and

IN THE MATTER OF THE FINANCIAL SERVICES AND MARKETS ACT 2000

SUMMARY OF THE SCHEME

1 Introduction

- 1.1 Arch Insurance (UK) Limited (the **Transferor**) is proposing to transfer to Arch Insurance (EU) dac (the **Transferee**) the insurance business carried on by the Transferor (excluding inwards reinsurance business) in any state within the European Economic Area (**EEA** and each such state being an **EEA State**) utilising the Transferor's freedom of establishment and/or freedom of services (the **Transferring Business**).
- 1.2 The transfer of the Transferring Business (the **Part VII Transfer**) is to be effected through an insurance business transfer scheme (the **Scheme**). The Scheme will be carried out through the High Court of Justice in England (the **High Court**) in accordance with Part VII of the UK Financial Services and Markets Act 2000.
- 1.3 This document sets out a summary of the effect of the Scheme.
- 1.4 This document is only a summary. Full details of the Scheme can be found in the complete version which is available free of charge (please refer to paragraph 5 below for further information).

2 Background of the Transferor and the Transferee

- 2.1 The Transferor is a company incorporated in England and Wales with registered number 4977362. The registered office of the Transferor is at 5th Floor Plantation Place South, 60 Great

Tower Street, London, EC3R 5AZ.

2.2 The Transferee is a designated activity company incorporated in the Republic of Ireland with registered number 505420. The registered office of the Transferee is at 2nd Floor, Block 3, The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4, Republic of Ireland.

2.3 The Transferor is authorised and regulated by the UK Prudential Regulation Authority and is also regulated by the UK Financial Conduct Authority.

2.4 The Transferee is authorised and regulated by the Central Bank of Ireland, the Irish regulatory authority responsible for the supervision of the insurance sector.

3 Process and Timings of the Scheme

3.1 The proposed timings for the Scheme are:

High Court hearing	18 December 2020
Proposed "Effective Date" (when the Transferring Business will transfer to the Transferee)	23:59 GMT on 31 December 2020

3.2 The Scheme will not go ahead unless the High Court approves it on 18 December 2020.

3.3 If the High Court imposes any change or conditions to the proposed Scheme, the Scheme will not take effect unless the Transferor and the Transferee consent.

4 Summary of the Scheme

4.1 The following is a summary of the main points of the Scheme. As noted above, the full version of the Scheme document is available free of charge (please refer to paragraph 5 below for further information).

4.2 In addition, the Transferor and the Transferee have prepared a series of policyholder communications which are available at the Arch Capital Group Ltd. (ACGL) website (at www.archcapgroup.com/Insurance/Arch-Part-VII).

The Effect of the Scheme

4.3 As stated above, the Scheme is intended to transfer all of the Transferring Business from the Transferor to the Transferee.

Claims paid by the Transferee after the Effective Date

4.4 It is intended that, from the Effective Date, all the rights and obligations arising from the Transferring Business will automatically transfer to the Transferee and will no longer rest with the

Transferor. This means that the Transferee will be responsible for paying all claims and meeting all the other obligations which were previously obligations of the Transferor in relation to the Transferring Business.

Exceptions

- 4.5 Despite the intention explained in 4.4 above, there may be a small number of policies which fall outside the Scheme. These would be “Excluded Policies” or “Residual Policies”, as described in more detail in the full version of the Scheme. Any Residual Policies will transfer to the Transferee as soon as possible following the Effective Date.

No Changes to Policy Terms and Conditions

- 4.6 There will be no changes to the terms and conditions of the transferring policies, save that the insurer will be the Transferee not the Transferor.

Policy administration

- 4.7 The administration (including claims handling) of the Transferring Business currently undertaken by the Transferor will be carried out in the same manner by the Transferee. In particular, the same employees will continue to administer the Transferring Business in the same way that it is currently administered.
- 4.8 The Scheme should therefore not have any effect on the policy administration arrangements for the Transferring Business.

Continuity of proceedings or litigation

- 4.9 From the Effective Date, any current proceedings or litigation which are brought by or against the Transferor in connection with the Transferring Business shall be continued by or against the Transferee, and the Transferee shall be entitled to all defences, claims, counterclaims and rights of set-off that would have been available to the Transferor.
- 4.10 From the Effective Date, any judgement, settlement, order or award under current or past proceedings obtained by or against the Transferor in relation to the Transferring Business shall be enforceable by or against the Transferee in place of the Transferor.

Costs and Expenses

- 4.11 None of the costs and expenses relating to the preparation of the Scheme or High Court process will be borne by policyholders.

5 Further Information

If you have any further questions or require a full version of the Scheme please:

- visit the ACGL website at www.archcapgroup.com/Insurance/Arch-Part-VII;

- call the relevant dedicated helpline, free of charge when calling from the UK, on +44 (0)808 196 3200 (open 09:00-17:00 London time on weekdays),

(the above opening hours excludes bank holidays and public holidays. Callers outside of these hours 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