

1 July 2020

Reference: QBEPOLLEL

Dear Sir/Madam

Proposed transfer of the European freedom of services business (and other ancillary business) written by QBE UK Limited from its UK head office to QBE Europe SA/NV

Background

After the UK electorate voted in favour of leaving the European Union (**Brexit**), QBE European Operations Plc (**QBE EO**), the parent company of the European division of the QBE group, took the decision to restructure its operations in order to ensure continued access to the European single market for its policyholders. In 2018, as a consequence of this decision: (a) QBE Europe SA/NV (**QBE Europe**) was incorporated (and received its (re)insurance licence) in Belgium; (b) QBE UK Limited (**QBE UK**) transferred its European branch business to QBE Europe; and (c) QBE Re Limited transferred the entirety of its business to QBE Europe (and subsequently merged with QBE Europe).

When QBE EO took the decision referred to above the final outcome of Brexit, and the implications for UK-based insurance undertakings carrying on business in the European Economic Area (**EEA**), was unclear and it was expected that arrangements would be put in place which would allow QBE UK to run-off the European business it had previously underwritten on a freedom of services basis itself.

However, there is now a risk that, if the UK leaves the European Union without a trade deal on 31 December 2020 following the expiration of the implementation period as provided for in the legislation effecting Brexit, the European Union (Withdrawal Agreement) Act 2020, it will not be possible for UK-based insurance undertakings to provide insurance-related cross border services from the UK into the EEA beyond any separately negotiated jurisdiction-specific additional transitional periods.

Accordingly, QBE UK has now taken the decision to transfer to QBE Europe all of the general insurance and reinsurance policies written on a freedom of services basis throughout the EEA from QBE UK's head office in the UK between 1 January 1970 and 31 December 2018, which:

- relate solely to a risk (or risks) situated in an EEA member state;
- relate to a risk (or risks) situated in an EEA member state and the UK; or
- relate to a risk (or risks) situated in an EEA member state and another jurisdiction (other than the UK), (the **Transferring Business**),

so that such business can be properly serviced by QBE Europe regardless of the existence, or the terms, of any trade deal agreed between the UK and the European Union. The Transferring Business includes a policy (or policies) that you hold with QBE UK.

Information about QBE Europe and the proposed transfer

QBE Europe is a Belgian (re)insurance company and is part of the same corporate group as QBE UK. Both companies are indirect wholly-owned subsidiaries of QBE Insurance Group Limited, a company incorporated in Australia and listed on the Australian Securities Exchange, which owns a number of licensed (re)insurance companies writing a wide variety of (re)insurance business in a number of territories. As QBE UK is a UK-based insurance undertaking, the proposed transfer of the Transferring Business will be carried out in accordance with the UK Financial Services and Markets Act 2000 (the **Act**). The Act requires us to obtain approval to the transfer from the High Court of England and Wales (the **Court**).

The proposed transfer will have no effect on:

- the terms and conditions of your cover;
- the amount of your premium;
- the duration of your policy or policies; or
- any claim which you may have made or may make under your policy or policies.

In addition, QBE Europe will administer the Transferring Business in line with the QBE group's current systems, policies and procedures and in the same manner as QBE UK. This means that you should not experience any change in respect of your interactions with us on a day-to-day basis.

Steps taken to protect your interests

The legal approval process for the transfer from QBE UK to QBE Europe is designed to help safeguard your interests. In summary:

- The Court must approve the transfer for it to go ahead. The Court hearing to consider whether to sanction the transfer is due to take place on 21 October 2020 at the High Court of Justice, 7 Rolls Building, Fetter Lane, London EC4A 1NL. The Court will consider whether the transfer will adversely affect policyholders and beneficiaries and whether it is appropriate to approve the transfer. You and all beneficiaries of your group policy (or policies) have the right to attend the Court hearing that will consider the transfer and to present any objections or concerns either directly or by appointing legal counsel. If you (or any beneficiaries) want to telephone or write to us rather than appear in person, we will present in writing any objections received from you (or any beneficiaries) to the Court on 21 October 2020. If you (or any beneficiaries) decide to write to us you, please do so as soon as possible. Subject to Court approval, it is expected that the Transferring Business will automatically transfer to QBE Europe on 1 November 2020. However, any change to the date of the Court hearing or the transfer will be announced on our website (<https://qbeeurope.com/>).
- An independent expert has been appointed to write a report for the Court. He has assessed the impact of the transfer and has concluded that it will not materially adversely affect any group of policyholders (or beneficiaries).
- QBE UK has consulted closely with its regulators, the Financial Conduct Authority and the Prudential Regulation Authority, and QBE Europe has been liaising with the prudential regulator in Belgium, the National Bank of Belgium (*Banque Nationale de Belgique/Nationale Bank van België*) about the transfer. The UK regulators are entitled to make representations to the Court and we expect them to do so.

We are now writing to all transferring policyholders who we believe may still be able to make a claim under a policy that is transferring from QBE UK to QBE Europe pursuant to the transfer to give them information about the transfer, allowing them reasonable time to consider whether they and any other interested parties (including beneficiaries) are adversely affected and if so whether to make representations to the Court. **It is a legal requirement for QBE UK to do so under the Act (unless the Court has consented otherwise).**

Next steps

Please read the information we have included with this letter. We have enclosed a booklet containing:

- “Questions and Answers” about the transfer.
- A summary of the legal document that sets out the terms of the proposed transfer and the independent expert’s report.
- A copy of a legal notice setting out details of the Court hearing to consider the proposed transfer.

In addition, in the appendix to this letter, we have set out some steps we would like you to take to communicate important details in relation to the proposed transfer to all beneficiaries of your group policy (or policies) that are comprised within the Transferring Business.

Should you (or any beneficiary) need any further information or if you (or any beneficiary) have any questions or concerns about the proposed transfer or consider that it may have an adverse effect then please contact us as soon as possible and preferably by no later than 14 October 2020. You (or any beneficiary) can:

- call our dedicated helpline on +44 (0)20 3465 3330;
- write to us at 30 Fenchurch Street, London EC3M 3BD; or
- email us at brexit.queries@uk.qbe.com.

Please note that the dedicated helpline is for enquires about the transfer from QBE UK to QBE Europe only. If you have any general questions about your policy, please call the customer services team on the usual phone number and they will be happy to help.

For your convenience, this information is also available on the QBE website (<https://qbeurope.com/>), together with full copies of the documents detailed above. All updates and details about the progress of the 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 (other than the beneficiaries referred to above), please inform them of the proposed transfer and pass on the information contained in this letter and booklet.

Yours faithfully,



For and on behalf of
QBE UK Limited



For and on behalf of
QBE Europe SA/NV

Appendix

Notifying beneficiaries of QBE UK group policies

It is a regulatory requirement to notify all interested parties about the proposed transfer, including all beneficiaries under your group policy or policies. We therefore request your co-operation in the delivery of the notification set out below to each of the beneficiaries under your group policy or policies, in accordance with the following guidance:

- (a) **Timing:** Please notify all beneficiaries within fourteen days of your receipt of this letter.
- (b) **Notification to be provided to the beneficiaries:** Please use the language indicated below under the heading “**IMPORTANT INFORMATION ABOUT EMPLOYER’S LIABILITY INSURANCE POLICY WITH QBE UK LIMITED – PLEASE READ CAREFULLY**” to notify the beneficiaries.
- (c) **Notification mechanism:** Please: (i) place the copies of the notice in prominent places in the workplaces of the beneficiaries (to the extent possible given the current disruption caused by the Coronavirus (Covid-19)) and on your company intranet; and (ii) email the notice to all beneficiaries (including those who are absent from the office, whether on maternity or other long-term leave, but remain employed by you).
- (d) Beneficiaries may send queries to you directly in response to the notification. When this occurs, please direct them to the contact points listed in the notice.

IMPORTANT INFORMATION ABOUT EMPLOYER’S LIABILITY INSURANCE POLICY WITH QBE UK LIMITED – PLEASE READ CAREFULLY

This notice contains important information regarding certain employer’s liability policies underwritten by QBE UK Limited (QBE UK), a (re)insurance company incorporated in England and Wales and authorised by the Prudential Regulation Authority (**PRA**) and regulated by the Financial Conduct Authority and the PRA.

It is proposed that on 1 November 2020, your QBE UK employer’s liability policies (together with any claims in respect thereof) will transfer to QBE Europe SA/NV (**QBE Europe**), a (re)insurance company incorporated in Belgium which is a member of the same corporate group as QBE UK, under a proposed transfer pursuant to Part VII of the Financial Services and Markets Act 2000 (the **Act**).

QBE Europe is authorised by the National Bank of Belgium (Banque Nationale de Belgique/Nationale Bank van België) (**NBB**) and regulated by the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers) and the NBB.

In accordance with the Act, QBE UK and QBE Europe must obtain approval in respect of the proposed transfer from the High Court of England and Wales (the Court). It is a legal requirement for QBE UK and QBE Europe to contact policyholders and potential beneficiaries under insurance policies (such as yourself) 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 notice contains information on how to do so.

Background to the proposed transfer

After the UK electorate voted in favour of leaving the European Union (Brexit), QBE European Operations Plc (QBE EO), the parent company of the European division of the QBE group, took the decision to restructure its operations in order to ensure continued access to the European single market for its policyholders. In 2018, as a consequence of this decision: (a) QBE Europe was incorporated (and received its (re)insurance licence) in Belgium; (b) QBE UK transferred its European branch business to QBE Europe; and (c) QBE Re Limited transferred the entirety of its business to QBE Europe (and subsequently merged with QBE Europe).

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- (c) relate to a risk (or risks) situated in an EEA member state and another jurisdiction (other than the UK),
(the Transferring Business),

so that such business can be properly serviced by QBE Europe regardless of the existence, or the terms, of any trade deal agreed between the UK and the European Union. The Transferring Business includes certain employer's liability policies of which you are a beneficiary.

Information about the proposed transfer

If you require additional information about the proposed transfer, please visit QBE's website at <https://qbееurope.com/> to access the following documents and information:

- (a) a copy of the scheme document setting out the terms of the proposed transfer (the Scheme Document);
- (b) a copy of the report produced by the independent expert (the Independent Expert's Report) who has been appointed by the Court to assess the impact of the proposed transfer and has concluded that it will not materially adversely affect any group of policyholders (or beneficiaries);
- (c) a copy of a "Questions and Answers" booklet about the proposed transfer;
- (d) a summary of the Scheme Document and the Independent Expert's Report; and
- (e) a copy of the legal notice setting out details of the Court hearing to consider the proposed transfer.

Please read the information carefully so that you understand how the proposals affect your policy or claim.

How to make your views known

If you are comfortable with the proposed transfer and the information provided on QBE's website, 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 QBE as soon as possible and preferably no later than 14 October 2020. You can:

- (a) call the dedicated helpline on +44 (0)20 3465 3330;
- (b) write to QBE at 30 Fenchurch Street, London EC3M 3BD; or
- (b) email QBE at brexit.queries@uk.qbe.com.