Proposed transfer of business under Part VII of the Financial Services and Markets Act 2000

Our records indicate that you have placed business with, or have written business on behalf of, Fidelis Underwriting Limited (FUL).

We are writing to provide you with important information regarding the proposed transfer of non-UK EEA policies and of the benefits of the associated insurance cover claims written by FUL and claims under these policies, to Fidelis Risk Ireland DAC (FRID), which at a point prior to the transfer, will be renamed Fidelis Insurance Ireland DAC (FIID), a new legal entity established in the Republic of Ireland. Following this transfer, regulation over the transferring business and claims arising thereunder will change from the Prudential Regulatory Authority (PRA) and Financial Conduct Authority (FCA) to the Central Bank of Ireland (CBI), the regulator responsible for regulation of financial institutions in the Republic of Ireland. FRID is not currently authorised as an insurance company but has received consent in principle from the CBI to become authorised in advance of the transfer. If the transfer is approved, such approval will only be given once FRID is authorised.

Background

As a result of the United Kingdom’s (UK) prospective withdrawal from the European Union (EU) on or before 29th March 2019, FUL has taken the necessary steps to establish a new legal entity in the Republic of Ireland, FRID.

FUL intends to transfer its non-UK EEA general insurance business to FRID and has undertaken a thorough due diligence activity to identify all such policies that need to be included in the transfer. These changes are required to maintain a viable operating model and continue to service our European business.

The transfer process

The proposed transfer will be effected through an insurance business transfer scheme (Transfer) pursuant to Part VII of the Financial Services and Markets Act 2000 (FSMA) under UK law.

FUL and FRID have approved this proposed transfer and have consulted closely with the regulators, the PRA and the FCA in the UK and the CBI in the Republic of Ireland. The PRA, after consulting with the FCA, has approved the appointment of an Independent Expert who, in accordance with UK law is required to review the impact of the proposed transfer on policyholders. A summary of the Independent Expert Report is provided within the enclosed explanatory circular.

For the Transfer to become effective, the High Court of Justice of England and Wales (Court) must sanction the Transfer. The Court hearing for this purpose is expected to take place on 14th December 2018 and it is proposed that the Transfer will take effect at 23:59 GMT, 31st December 2018 (the Effective Time).
The Proposed Transfer will have no material effect on the cover provided by the policies or the way they are administered. The obligations owed under the policy will not change but the policies and/or claims will transfer from FUL to FRID (i.e. the policies will now be issued by, and the claims will be paid by, FRID). This is explained in further detail in the aforementioned summary of the Independent Expert Report.

**Why are we writing to you?**

You may have clients whose policies or contracts will be transferred to FRID under the Transfer. We have written directly to all transferring policyholders (including those with recently expired policies or open claims) for whom we hold addresses (including where we have been provided with addresses by you). Therefore, clients of yours may have received a notification of the Transfer from us directly and have questions to raise with you. It is also possible that holders of older expired policies who do not have open claims (and who have not received notice of the Transfer from us) may contact you.

**How does the Transfer affect you?**

The Transfer will not change any arrangements which you may have in place with holders of transferring policies, nor will it change any existing arrangements for our clients’ policies that will be transferred.

**What do you need to do?**

We enclose with this letter a copy of the letter and explanatory circular that we have sent to policyholders whose information we hold or whose address information you provided. This letter provides more information about the Transfer. Whilst we intend to notify as many policyholders as we can directly, there may be some policyholders that we are unable to contact. Therefore we kindly request that should you: (i) become aware of any of your clients whom you believe may be affected by the Transfer but who may not have received such letter; or (ii) be contacted by any of your clients who have not received such a letter, you send a copy of the relevant enclosure to them. Alternatively, please supply the contact details of all such persons to us and we will notify them directly.

We should be grateful if you would keep a record of the number of policyholders you notify and advise us of this and any responses you receive by writing to us at Fidelis Underwriting Limited, The Leadenhall Building, 34th Floor, 122 Leadenhall Street, London, EC3V 4AB, United Kingdom, clearly marked ‘Part VII transfer’, by no later than 2nd November 2018. Should you receive any responses from policyholders after such date, we would be grateful if you could inform us at your earliest convenience.

You are not required to take any action in respect of the proposed transfer, however if you believe that you would be adversely affected by the proposed transfer, you are entitled to have your objections heard, and/or to appear at the Court hearing to sanction the Transfer in person or by counsel. The Court hearing for the proposed transfer is currently expected to take place on 14th December 2018 at The High Court, 7 Rolls Building, Fetter Lane, London, EC4A 1NL. Updates on the Court hearing will be made available on the FUL website, www.fidelisinsurance.com/PTVII-Transfer/, which will be updated should the hearing date change.

If you intend to make written representations and/or appear at the Court hearing to make oral representations, either in person or by counsel in respect of your clients, you are requested to provide the written representations or written notice of your intention to appear at Court and details of your concerns as soon as possible, and preferably by 2nd November 2018 in order for us to consider the matters you wish to raise and to share your concerns with the regulators for their review, however you are not obliged to do so. Your written representations or written notice to appear at Court should be sent to the above address, clearly marked ‘Part VII transfer’.
Further Information

if you would like any further information or have any comments or queries about the Transfer, you can contact us by writing to us at the above address, clearly marked ‘Part VII transfer’, or emailing us at PTVII-Transfer@fidelisinsurance.com, or calling the Transfer helpline on 0203 846 6087 (a list of international toll-free numbers can be found at the end of this letter). The helpline will be open Monday to Friday, 9.30am – 5pm GMT. Calls may be monitored or recorded for security purposes.

The Independent Expert’s full report and, when available, any supplemental report can be found at www.fidelisinsurance.com/PTVII-Transfer/ and are also available free of charge on request, in writing or by email or via the call centre.

Further updates relating to the proposed transfer, including any changes to the Court hearing date, will be posted onto the website, so you may wish to check for updates. If the transfer is approved, it will be announced on the FUL website, www.fidelisinsurance.com/PTVII-Transfer/.

Yours faithfully

For and on behalf of

Fidelis Underwriting Limited
International Telephone Numbers

[INTERNATIONAL TELEPHONE NUMBERS]