

BRITANNIA PART VII TRANSFER – Q&A

SEPTEMBER 2020

1. What are we doing?

The Britannia Steam Ship Insurance Association Limited ("**Britannia**") is proposing to transfer all of its business to The Britannia Steam Ship Insurance Association Europe m.a. ("**Britannia Europe**") (the "**Transfer**"). The Transfer includes the transfer of all insurance policies written by Britannia.

Both Britannia and Britannia Europe are subsidiaries of The Britannia Steam Ship Insurance Association (Holdings) Limited ("**Britannia Holdings**"), together referred to in this Q&A as "**Britannia P&I**".

2. Why are we doing this?

The Transfer will allow Britannia P&I to continue servicing its current and past EEA business, and to enable it to underwrite new EEA business, after the end of the post-Brexit transition period (i.e. after 31 December 2020).

If the Transfer does not go ahead, Britannia will not be able to service its current and past EEA business, and will not be able to underwrite new EEA business, after 31 December 2020.

Britannia's non-EEA business is included in the Transfer so that Britannia P&I can revert to a more cost-effective legal, corporate and management structure with a single insurer, i.e. Britannia Europe. Britannia will no longer carry out insurance business following completion of the Transfer.

3. How are we doing this?

The Transfer will be effected by an insurance business transfer scheme in accordance with Part VII of the Financial Services and Markets Act 2000. This is a Court-approved process to transfer insurance business from one insurer to another. It requires us to appoint an independent expert to examine and report on the Transfer and its effects on policyholders, and requires us to apply to the High Court of England and Wales (the "**Court**") to approve the Transfer.

Subject to the approval of the Court, the Transfer will automatically move all of Britannia's rights, benefits, obligations, liabilities, and any pending or existing claims under each insurance policy, to Britannia Europe.

4. When will the Transfer take place?

Britannia has applied to the Court for its approval of the Transfer and its application is expected to be heard at the Rolls Building, 7 Rolls Building, Fetter Lane, London on 29 January 2021. Subject to the approval of the Court and the following paragraph, the Transfer will become effective on 20 February 2021.

Britannia Europe is in the process of applying for authorisations for each of its branches in Hong Kong, Singapore and Japan to carry out insurance business. Should any of those branches not receive their authorisation by 20 February 2021, the business which is carried out in that branch will be transferred once such authorisation has been granted.

5. Will there be any change to the terms of my policy and the cover provided?

There will be no change to any of the terms of your policy or to the cover provided under it. This includes:

- the terms and conditions of cover;
- the amount of premium;
- the contact details you use to make a claim, notification or enquiry;
- the duration of the policy; and
- any pre-existing claim.

The only change will be that Britannia Europe will become the insurer under the terms of your policy.

6. Will Britannia Europe, as a Luxembourg authorised insurer, be as secure and well regulated as Britannia?

Subject to the Court's approval of the Transfer, Britannia Europe will assume all of Britannia's liabilities together with all of the assets which support those liabilities, and it will therefore be no less secure than Britannia currently is.

Further, as Britannia Europe is authorised and regulated by the Commissariat aux Assurances in Luxembourg, a European Union Member State, it is subject to a regulatory regime that implements the Solvency II Directive and is co-ordinated by the European Insurance and Occupational Pensions Authority. Britannia and Britannia Europe are therefore subject to equivalent regulatory regimes.

7. Will my cover be backed by the same resources as they are at present?

Yes. As explained under Question 6, following the Transfer, all of the assets of Britannia will be available to Britannia Europe to cover its liabilities. This means that Britannia Europe will be no less able to meet a claim than Britannia currently is.

8. How will my existing claims be dealt with?

If you have an existing claim against Britannia, this claim will be against Britannia Europe following the Transfer.

Nevertheless, it will continue to be dealt with by Tindall Riley in exactly the same way as it would have been dealt with, were it not for the Transfer. Tindall Riley's claims handling team will assess your claim and respond to it in accordance with Britannia P&I's rules.

You will still be able to contact Britannia P&I in connection with your claim in the usual way, by contacting Tindall Riley (Britannia) Limited, Regis House, 45 King William Street, London EC4R 9AN or by e-mail to jbott@tindallriley.com giving the background. Alternatively, you will be able to telephone +44 (0)20 7407 3588.

9. Will there be any change to the people I deal with at Britannia P&I, or any changes to my day-to-day dealings with Britannia P&I?

No. As explained under Question 8 above, Tindall Riley will continue to manage all of Britannia P&I's business following the Transfer.

You will therefore not see any change in the people you deal with at, or in any of your day-to-day dealings with, Britannia P&I.

10. How would I complain if I was dissatisfied with Britannia Europe after the Transfer?

As explained above, all aspects of Britannia P&I's business will continue to be managed by Tindall Riley following the Transfer. Should you wish to make a complaint about Britannia Europe, you would contact Britannia P&I at Tindall Riley (Britannia) Limited, Regis House, 45 King William Street, London EC4R 9AN or by e-mail to sking@tindallriley.com giving the background and reasons for your complaint. Alternatively, you would be able to telephone +44 (0)20 7407 3588.

11. What have we done to protect your interests?

To protect policyholder interests, an independent expert, Mr Simon Sheaf, of Grant Thornton LLP, has been appointed. His duty is to review the Transfer and to assess the impact on all policyholders of Britannia and prepare a report on his findings.

The UK Prudential Regulation Authority, in consultation with the UK Financial Conduct Authority, has approved Mr Sheaf's appointment.

Mr Sheaf has concluded in his report that no policyholder will be materially adversely affected by the Transfer.

A summary of his report is enclosed and you can obtain his full report either by contacting Britannia P&I using the contact details or accessing the website set out under Question 13.

12. What are your rights?

If you believe that you will be adversely affected by the Transfer, you can contact Tindall Riley using the contact details set out under Question 13 in the first instance.

You also have the right to attend the Court hearing scheduled for 29 January 2021 and make representations, either in person or by a legal representative. The hearing is scheduled to take place at The Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL.

If you, or your representative, plan to attend the Court hearing, we would ask that you make us aware as soon as possible and where possible no later than ten business days prior to the hearing, so that we can keep you informed of any changes to the hearing, such as time or date or venue.

If you object to, or consider you will be adversely affected by, the Transfer but do not wish to attend the hearing, you can make representations about the Transfer by giving notice of such representations to Britannia and Britannia Europe using the contact details set out under Question 13 as soon as possible and preferably before 22 January 2021. All representations will be provided to the Court at the hearing.

13. Where can you find out more?

Please visit <https://britanniapandi.com/part-vii-transfer/> to find out further information about the Transfer. You can also contact Britannia's team by telephone on +44 (0)20 7407 3588 or by email at BritanniaPartVII@tindallriley.com.

A copy of the Scheme (which contains the terms of the Transfer), Mr Sheaf's report and a summary of the terms of the Scheme and Mr Sheaf's report can be viewed at <https://britanniapandi.com/part-vii-transfer/>.

Alternatively copies of these documents can be obtained free of charge by writing to Britannia at Tindall Riley (Britannia) Limited, Regis House, 45 King William Street, London EC4R 9AN or by e-mail to BritanniaPartVII@tindallriley.com.